

Policy Provisions for women-owned small and medium enterprises in the Draft Small and Medium Enterprises Development Policy and Five-Year Implementation Plan (2020-2024)

This note presents a set of policy recommendations that the Ministry of Industry, Science, Technology and Innovation (MISTI), Royal Government of Cambodia may consider adding to its Draft Small and Medium Enterprise (SME) Development Policy and Five-Year Implementation Plan (2020-2024). This note is prepared by the United Nations Economic and Social Commission for Asia and the Pacific's (ESCAP) "Catalyzing Women's Entrepreneurship" Programme in Asia and the Pacific.

The note specifically addresses recommendations for women-owned SMEs (WSME). It is divided into two sections. The first section reviews the current opportunities and constraints for WSMEs in Cambodia. It also establishes that policymakers need to account for some unique and a different set of challenges that WSMEs face, rather than develop a blanket policy covering all SMEs. The second section lays out policy interventions that may be considered for WSMEs in Cambodia. This section will draw on the framework of the abovementioned draft SME policy that is to be released end of October 2019.

1. Women-owned small and medium enterprises in Cambodia: Profile and Challenges

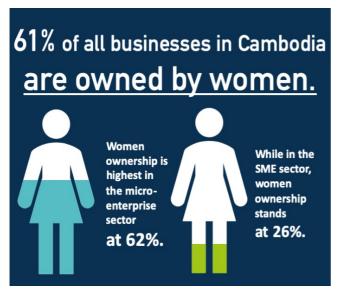
Reaching lower-income status in 2015, Cambodia has seen substantial transformation over the past two decades. Driven predominately by garment exports and tourism, Cambodia's economy sustained an average growth rate of 8 per cent between 1998 and 2018. At the same time, the percentage of Cambodians living under the national poverty line also fell from 47.8 per cent in 2007 to 13.5 per cent in 2014 (The World Bank, 2019), (IPE Global & M-CRIL, 2018), (General Directorate of Banking Supervision, 2019).

Similar to other countries in the region, micro- and SMEs have been seen as the "engine of growth" in Cambodia (International Finance Corporation, 2017). It is estimated that enterprises that employ fewer than 100 people account are estimated to account for over 70 percent of total employment in the industrial and services sectors in Cambodia alone (National Institute of Statistics, 2014). In recognising the importance of SMEs and their









contribution towards Cambodia's recent growth, the Government of Cambodia has strived to create an enabling environment for SMEs.¹

The presence and contribution of women in Cambodia's economy and SME sector is notable. Women own 61 per cent of businesses in Cambodia as per the 2014 CIES data (International Finance 2019). Corporation. With women entrepreneurs mainly operating within the sectors of commerce (66 per cent) and services (61 per cent) sectors (International Finance Corporation, 2010).

Source: Internation Finance Corporation, 2019.

While women ownership of businesses is

highest in the microenterprise sector (62 per cent), their ownership of SMEs is less substantial at 26 per cent. Research reveals that this has to do with preference shown by women to own micro businesses that are close to their homes or are in fact "home businesses" (International Finance Corporation, 2019). It may also be related to the social perceptions that women are less outgoing and lacking leadership skills and the necessary initiative to run a business. However, 90 per cent of the SMEs managed by women in Cambodia were profitable in 2018. This is despite only three per cent of Cambodia's women SME entrepreneurs having access to formal credit – there is an estimated US\$ 4.2 billion unmet demand for credit for women entrepreneurs (International Finance Corporation, 2019).



Source: Internation Finance Corporation, 2019.

Data collected for the 2019 IFC study on women SME entrepreneurs in Cambodia reveals that while legally there is no gender bias, it is far easier for men to register a business given social norms² and perceptions (International Corporation, 2019). Women, therefore, often let male counterparts register a business in his name, despite overseeing the daily operations and the financial aspects of the enterprise. This feature of the SME segment along with the high level of informality makes it difficult to accurately assess the number of WSMEs Cambodia (OECD/ERIA, 2018). It is very likely that the number of women-owned SMEs are higher than the estimated 26 per cent.

² For example, the social prescriptions on a women's role engendered in Chbab Srey.





¹ SMEs employ 13 per cent of the labour force in Cambodia while micro and large enterprises employ 58 per cent and 28 per cent respectively (OECD/ERIA, 2018).



Another important facet of women entrepreneurship is their participation in senior management positions in enterprises. 57 per cent of small firms and 52 per cent of medium firms have at least one female top manager. This is higher than the figures for East Asia and the Pacific region (35 per cent and 27 per cent respectively). For large firms, this figure was also much higher at 81 per cent in Cambodia, compared to 31 per cent in East Asia and Pacific (International Finance Corporation, 2019).

There are various Government support programs for WSMEs under the Ministry of Women

Affairs (MoWA). The ministry has three strategies for gender mainstreaming. These include vocational skills for women based on market needs; development of micro and SMEs (MSMEs); and improved livelihoods in rural areas. Box 1 provides an overview of

the key Government programs under the aegis of the MoWA. With respect to the training/vocational programs, the ministry recognises that the trainings are not market-demand driven, but it lacks the qualified and full-time staff to increase the efficacy of its vocational skills program (International Finance Corporation, 2019).

The private sector also supports WSMEs. Table 1 below details some of the notable initiatives.

WOMEN IN SENIOR MANAGEMENT POSITIONS

Enterprises in Cambodia are above the average compared to East Asia and the Pacific region for having at least one female top manager across small, medium and large firms.

Cambodia

57% of small firms have at least one female top manager

52% of medium firms have at

least one female top manager

81% of large firms have at least

one female top manager



East Asia & the Pacific

35% of small firms have at least one female top manager

27% of medium firms have at least one female top manager



31% of large firms have at least one female top manager

Source: Internation Finance Corporation, 2019.

Box 1: Government programs that support WSMEs

- Partnering with business associations such as the Cambodia Women Entrepreneurs Association and NGOs to offer vocational training, networking, advocacy, and the organization of trade fairs and exhibitions all over the country
- To create a National Network of Women's Associations comprising members from various women's business associations (planned)
- Women Development Centres (WDC) for training, networking, facilitate access to markets, internships and organize trade fairs

 Table 1: Private sector initiatives supporting WSMEs

	Support institution	Main goals/features of the support
	Cambodia Investors Corporation (CiC)	 Sourcing local funds and applying the peer-to-peer format to match investors and SMEs. Incubator and capacity building programs focused on all aspects of management of a business.
	Cambodia Women Entrepreneurs Association (CWEA)	 Fee-based membership that provides access to networks, advocacy, mentorship, capacity building and training.







SHEinvestments	 Considered as one of the more effective initiatives, they provide alternative funding sources, networking, advocacy and consulting focused on women entrepreneurs. Key to their success is offering culturally adapted trainings in Khmer. 	
	 An incubator program that includes male counterparts of women trainees. 	

The data presented above clearly show that women entrepreneurship in Cambodia has huge potential and that women entrepreneurs do not lack business acumen. While there is support from the Government and private sector programs, the constraining factors are "entrenched gender stereotypes, limited education opportunities, and restricted mobility" (International Finance Corporation, 2019). The various constraints are summarised in Table 2 below.

Table 2: Challenges/constraints faced by WSMEs

Table 2: Challenges/constraints faced by WSMEs		
Challenges/constraints	Description	
(This is likely a policy constraint, but does impact inclusion of WSMEs)	 38 per cent of WSMEs had 3-5 employees, 50 per cent had between 5-10 employees, 12 per cent had more than 10 employees. Based on the definition provided in the SME Development Framework of 2005, an estimated 88 per cent of WSMEs would be micro.³ The draft SME policy adopts a sector approach that defines SMEs in five priority sectors. But this does not account for WSMEs in these or other sectors where WSMEs have a key contribution. 	
Access to markets	 Many women perform the dual role of businesswomen and homemakers resulting in restricted mobility leading to poor access to networks, trainings and often prevents expansion of the business. 58 per cent of women-owned enterprises are not registered. This restricts access to markets as informality restricts dealing with customs, trade regulations and in obtaining permissions/licenses. 	
Education	 This is generic, but impacts financial management and business planning ability, knowledge of marketing strategies and confidence levels when dealing with clients, Government officials and financial institutions. 	
Cultural and social norms	 These may restrict business hours, dealing with male suppliers/customers, Government officials. Women tend to rely more on their spouses when starting and managing a business and also when getting business advice. 	

³ The figure may be lower when taken together with asset value. Those numbers are not available.







Regulatory and formalisation challenges	 Societal: 59 per cent of women entrepreneurs stated they see no advantage in the registration of the business or they were not interested as their friends had not done it. Market dynamics: Losing a competitive edge as registration leads to more paperwork and higher taxes. Procedural: Women found the registration process more tedious (e.g. registration with multiple ministries), timeconsuming, costly (hidden costs/informal fees in particular).
Operational	 Competition from informal businesses that have lower costs. High staff turnover and lack of qualified staff.
Access to finance ⁴	 Have to rely on own funds to start a business. This is the case for a majority of women entrepreneurs. To grow business, there is a heavy reliance on own funds or informal sources.
Lack of financial records	 Lack of accurate accounting systems leads to low financial institutions confidence in SMEs.
Lack of credit history	 Heavy reliance on own funds leads to low borrowing rates, which in turn does not create adequate credit history that financial institutions can use to base lending decisions on.
Lack of financial institutions capacity to serve WSME	 Gaps in financial institutions understanding of WSME and SMEs in general. The limited capacity of loan officers who tend to base lending decisions on collateral. Size of the business prevents access to bank loans. Micro financial institutions loan sizes may not allow for expansion.
Collateral	Fear of losing assets in the event of business failure was a big concern for women.

Source: Adapted from (OECD/ERIA, 2018) and (International Finance Coproration, 2019).

 $^{^4}$ The reasons for the challenges may be linked to other factors such as lack of financial records, credit history collateral, and also financial institutional capacity.







2. Policy Recommendations

In general, the OECD SME Index has ranked Cambodia's level of SME policy as being in its early stages (OECD/ERIA, 2018). However, over the past years, policymakers have become increasingly proactive in pushing forward SME policies to create an enabling environment. This is seen in the fact that Cambodia is in the process of finalizing an SME policy that provides a comprehensive set of "action lines" for policymakers (Mousset, 2019). However, this policy does not adequately address the issues pertaining to the development of WSME which, as noted in the earlier section, have a fair share of challenges. While many are unique to WSME's there are challenges as noted in Table 2 that are general. However, research suggests that in the case of WSMEs, the level of generic challenges may be more severe compared to their male counterparts. There is a need for policymakers to apply deliberate policy tools and measures in order to ensure that WSME are treated as a distinct segment, and an enabling environment is created for them.

This section draws on the framework of the draft SME policy to suggest some key policy initiatives in support of WSMEs. While the policy suggests various action lines, Cambodia falls in the "Early Stage" category of SME development and hence, the key action lines are on research and capacity building (for all stakeholders) (OECD/ERIA, 2018). Underlying all the recommendations is the adoption of a targeted approach so that WSMEs are treated as a distinct segment. Table 3 below details recommendations under the action lines for fostering an enabling environment for WSMEs.

Table 3: Recommendations for creating an enabling environment for WSMEs

Table 5. recommendations for creating an enabling environment for wowes				
A. Enhance Legal and Regulatory Environment, and Public Sector Capacity				
1. Enhancing Legal and Regulatory Environment of Business				
Action Lines	Recommendations			
[A/01] Initiate the preparation of a national SME law. [A/02] Institutionalize the needed coordination among line ministries and Government agencies concerned with this SME development policy and five-year	Adopt a targeted approach to SMEs: (1) Include a gender lens to the development of the national SME law, its various provisions, and also amendments being proposed to various sets of laws (e.g. labour, tax, licensing). The same should be done for any policy research or assessment conducted. In general, law should recognise the distinct situation/challenges faced by WSMEs and encourage setting separate targets and KPIs for WSME in any amendments/policy research/capacity building/scheme/			
implementation plan. [A/03] Advocate amendment of existing	programs being conducted. Overall, the policy itself should consider the establishment of clear WSME targets or setting this as an action point to be defined under the strategy's implementation.			







bodies of law inducing constraints on SMEs
— including Labor Law, Law on Taxation,
Law on Commercial Enterprises, and
Investment Law.

[A/04] Design and implement a support scheme that allows affordable access to legal advice services by SMEs.

[A/05] Strengthen a framework fostering SME business support.

- (2) As an initial measure, work towards establishing a definition of WSMEs and set of criteria to identify WSMEs including particularly those enterprises who despite the formal registration being in the male counterpart's name are managed by women.
- (3) Policy and program research: WMSE could either be treated as a distinct segment and researched on independently or research should disaggregate data and conduct analysis by gender. This is also applicable for any program/policy monitoring and evaluation that is conducted.
- (3) Adopt quantitative targets: All schemes, programs, frameworks and key performance indicators (KPI) should include WMSE specific considerations, approaches, and targets, specifically addressing the issues faced by WMSEs as a distinct segment.

Cooperation and Coordination:

- (1) Inter-ministerial cooperation: MoWA (if not already) could be a permanent member of any institutionalized coordination mechanism (e.g. inter-ministerial coordination committee and any sub-committees). Include representatives of women entrepreneurs in consultations and coordination of SME policy and regulatory space.
- (2) Regional: Seek out ASEAN support for best practice sharing (e.g. ASEAN regional task force on company registration).
- (3) International agencies: Seek out support from United Nations agencies for technical assistance especially for policy research, setting targets, and gender mainstreaming of law/legal provisions.

2. Enhancing Public Sector Capacity

[A06] Carry out a necessary organisational development effort for MISTI.

[A/07] Carry out a necessary organisational development effort for the Council of Ministers' SME Sub-Committee.

[A/08] Formulate an enhancement plan for One Window Scheme (OWS) business registration and license renewal processes

Organisational development program:

- (1) WSME should be an independent thematic area for capacity building effort
- (2) A separate organizational development program/plan for MISTI and MoWA that will foster understanding and buy-in on the profile, needs, challenges of WSMEs can be developed **Effort to ease company registration One Window Scheme (OWS):**
- (1) Tailored OWS for WSMEs based on key constraints faced by WSMEs and/or constraints faced by specific SME clusters in registration.







and conduct a regulatory impact assessment (RIA).

[A/09] Conduct a phased implementation of OWS improvements.

[A/10] Strengthen infrastructure for SME monitoring, socio-economic studies and policy research.

[A/11] Perform and release SME monitoring and socioeconomic studies, periodically.

(2) Linkages of the OWS with financial institutions to providing financing support to SMEs, addressing to an extent the "missing middle" financing gap faced.

Cooperation and Coordination:

(1) International agencies: Technical assistance can be sought from international agencies such as the United Nations for the design of capacity building programs aimed at building understanding of the WSME ecosystem and enabling environment within Government agencies.

B. Promote Entrepreneurship & Human Capital Development

1. Strengthening Entrepreneurial Education

[B/01] Define a curriculum on entrepreneurship & business management that is common to Higher Education and Technical and Vocational Education and Training (TVET) institutions.

[B/02] Diffuse the common entrepreneurship & business management curriculum throughout Cambodia's largest cities and economic centres.

[B/03] Diffuse the common entrepreneurship & business management curriculum throughout rural areas of the Cambodian territory.

[B/04] Extend and refine the pedagogic scope and content of the common curriculum on

Design of curriculum:

- (1) Curriculum (on entrepreneurship and business management) should include courses designed specifically for WSMEs based on requirements/needs and challenges that are established via various research/studies.
- (2) Consider digital/mobile course development for WSME women-entrepreneurs have mobility issues (United Nations ESCAP is providing this in Cambodia through the "Catalyzing Women's Entrepreneurship" Programme).
- (3) Design short and long terms courses and identify delivery options for both (e.g. TVETs for long term courses).
- (4) Design should be sector-specific based on priority sectors identified in the draft SME policy but targeting WSME in these sectors or additional sectors where WSMEs operate identified via research studies.
- (5) The curriculum should include internships/apprenticeships for women under existing WSMEs or under women in senior management positions in the private sector. Curriculum should also not only focus on internships/apprenticeships for women in the work force, but also pathways to accelerate women in leadership, with a clear objective of propelling an increasing number of







entrepreneurship & business management, so as to reflect sector-specific priorities for competency building. women from employees to management/board members/CEOs. To achieve this, curriculum and in-take criteria considerations are needed to ensure that it is accommodating to encourage women's participation (i.e. considerations of time, proximity to home/work, etc).

Diffusion of curriculum:

- (1) In line with the targeting approach, the training centers targeted should be in hubs/locations where WSMEs operate. Consider inclusion of women run and owned micro-enterprises in rural areas.
- (2) Explore incentives for private sector that offer specific courses for WSMEs (examples, tax incentives, Qualified Investment Project (QIP) benefits, grants, scholarships).
- (3) Capacity building on curriculum for the private and public sector. For example, courses can be offered via the WDC's, but this will require upskilling WCD trainers, creation of a carder of trainers in the private sector. Similar capacity building can be done for TVETs.

Cooperation and Coordination:

- (1) Curriculum design coordination committee: Consider a design coordination committee that includes, members of the public sector, ministry representative, private initiatives such as SHE investments, and international agencies representative such as ASEAN and United Nations for international best practices.
- (2) Content developers and mobile companies: Seek technical assistance in design of digital/mobile content and delivery platform.
- (3) International agencies: Seek out support from United Nations agencies for sector-specific research related to training and development needs of WSMEs and women micro-entrepreneurs.

2. Developing Human Capital with Particular Focus on Women and Youth

[B/05] Design an incentive-based program supporting and encouraging apprenticeship in SMEs.

[B/06] Promote TVET opportunities and related educational material.

Design of internship program:

- (1) Design programs specific to WSME needs as identified via research.
- (2) Refer to the recommendation in Strengthening Entrepreneurial Education for TVETs.

Cooperation and Coordination:

(1) International agencies: Seek out support for research on capacity of TVETs to undertake WSME courses and funding for capacity building of TVETs.







C. Promote Productivity, Quality, Technology, Innovation and Domestic Trade

1. Extending Policymaking on Productivity, Quality, Technology and Innovation

[C/01] Plan and conduct a series of thematic and multi-stakeholder roundtable dialogues purposed to deepen the understanding on.

[C/02], [C/03], [C/04], [C/05] Plan and conduct a roundtable dialogue focusing on productivity, quality, technology and innovation in various priority sectors identified in the draft SME policy (food safety, agroindustry, ICT service providers, MIS and ERPs).

Targeted approach to roundtables:

- (1) Roundtable to be organized for WSME separate from other roundtables. This will ensure identification and deliberations on sectors other than the priority sector ones identified, but with substantial WSME presence.
- (2) Roundtable dialogues on already identified priority sectors should include independent session/discussion on WSMEs within the sector.

Cooperation and Coordination:

- (1) International agencies: Include United Nations organisations as part of the roundtables to bring in international best practice experiences related to WSME productivity, quality, technology and innovation.
- (2) Private agencies: Inclusion of relevant private sector entities (industry, training centres, investors).
- (3) Association: Chambers of Commerce and associations particularly those working with WSMEs to be included in the roundtables.

2. Domestic Options for Geographical Clustering and Internet-Based Business-to-Business Commerce

[C/06] Conduct preliminary policy research on suitable clustering models and their scope of

application in support of domestic value chain integration.

[C/07] Conduct preliminary policy research on an alternative developmental option in support

of domestic value chain integration based on ICT infrastructure known emarketplaces, or business-to-business (B2B) Internet trading platforms, or B2B exchanges.

Scope of the research:

- (1) As noted above, research should either be disaggregated on the basis of gender or conduct independent policy research on WSMEs.
- (2) Research on the exploring potential access for WSME to electronic platforms to purposes of expanding business. This is of particular relevance given mobility issues and access to markets issues highlighted in Table 2.
- (3) Scope of platforms and hence research should include social media sites such as Facebook and Instagram.

Cooperation and Coordination:

(1) International agencies: Funding and technical assistance from United Nations agencies to conduct research.







3. Establishing a Conducive Ecosystem in Support of Innovation and Early Growth

[C/08] Discuss the framework for technology transfer and knowledge transfer from larger

firms to SMEs, exploring possible approaches such as a corporate social responsibility (CSR) based and tax-based incentive

scheme.

[C/09] Enhance innovation support to SMEs during their early growth by strengthening existing business incubators/accelerators, and by encouraging the creation of new business incubators/ accelerators.

[C/10] Promote joint collaboration among SMEs, larger firms and academia.

[C/11] Enhance conditions for effective monetization of intellectual property rights (IPR) by SMEs.

[C/12] Create awards for technology innovation for SMEs in various priority sectors.

Incentives:

- (1) Consider designating investments (cash or in-kind) under QIP scheme.
- (2) Additional benefit can be given for transfers or QIP in WSMEs (e.g. tax discount on the quantum of QIP or value of transfer of technology).
- (3) Earmark grants for incubators to enhance capacity and curriculum in order to specifically cater to WSME in the identified priority areas, coupled with outreach to women start-ups and founders, to enroll them in incubators.
- (4) Grant or scholarship program for WSME to attend incubation and accelerators, coupled with access to financing linkages upon graduation from accelerator programmes i.e. through financial institutions and investor networks.
- (5) Incentivize HIEs capacity building and curriculum development effort to cater to WSMEs in the priority sectors.

IPR:

- (1) Design training program for WSMEs on IPRs and within relevant sectors identified via research.
- (2) Build capacity of third-party training centers to cater specifically on IPR issues in WSMEs.

Award programs:

- (1) Institute an exclusive award program for WSMEs.
- (2) The award scheme can include domestic and international exposure.

Cooperation and Coordination:

(1) International agencies: Seek advisory services on how to design these schemes and on IPR capacity building program design.

D. Enhance Foreign Market Access and Internationalization

1. Enhancing Access to International Markets and Integration into Global Value Chains

[D/01] Facilitate linkages between SMEs and larger firms that are based in Cambodia and positioned on international markets or within global value chains — typically multinational corporation (MNC)

Policy research:

(1) Specific research on the barriers/constraints that WSMEs face in the expansion of their markets or entry into relevant value chains and also e-commerce platforms.

Business matching:

(1) Business matching function designed specifically for WSME to enable them to expand their







subsidiaries or Foreign Direct Investment-based firms.

[D/02] Design a support program purposed to help SMEs: (i) undertake necessary capacity-building efforts; (ii) upgrade their operations so as to meet needed requirements set out by larger firms based in Cambodia and positioned on international markets or within global value chains.

[D/03] Design a support program purposed to create new opportunities for foreign market outreach for SMEs — including education on free trade agreements.

[D/04] Design and carry out specific training program for the utilization of international e-

commerce platforms by SMEs.

market or allow entry into the relevant value chains.

(2) Business matching should include wider value chain members such as financial institutions, universities/tech firms.

Capacity Building:

- (1) Based on research, identify specific capacity building efforts for WSMEs related to market access and exports.
- (2) Capacity building design and diffusions should be in line with earlier recommendations provided in Strengthening Entrepreneurial Education.

Training on E-commerce platforms:

(1) Design training programs catering specifically for WSMEs and implement with associations, WDCs and chambers of commerce specially catering to WSMEs.

Cooperation and Coordination:

- (1) International agencies: Support from United Nations agencies for conducting research.
- (2) Private sector: For capacity building as noted in earlier recommendations.
- (3) Associations: To organize trade fairs, business- matching function.
- (4) Government agencies: MoWA and MISTI to support/organize trade fair and identify other business matching opportunities. WDCs can be used for capacity building of WSMEs.

2. Facilitating Trade and Strengthening Export Capacity

[D/05] Conduct preliminary policy research purposed to identify activity sectors and products with high export potential so as to inform further policymaking.

[D/06] Develop and diffuse export-related training content for SMEs.

Policy research:

- (1) Conduct further research on the export market for WSMEs (including barriers faced).
- (2) The draft SME policy presents an opportunity to acknowledge the growing social enterprise sector in Cambodia (defined as enterprises with engrained social and/or environmental missions which also seek financial returns). It may be of value to recognize this sector in the policy, and ESCAP would be ready to support the development of an implementation plan to support this sector in Cambodia to specifically benefit WSMEs.

Capacity Building:

- (1) Design specific curriculum to cater to the specific needs, constraints and challenges of WSME that emerge from the research.
- (2) Content diffusion is to be based on recommendations provided earlier.

Certification scheme:

(1) Certification on products from WSMEs - Responsible Inclusive Commerce.







Coordination and Cooperation:

(1) As specified in earlier recommendations.

E. Increase Access to Finance

[E/01] Define curriculum content destined to SME owners and managers and purposed to

strengthen their financial management competences.

[E/02] Diffuse information and knowledge about the local financial infrastructure and services for SMEs.

[E/03] Encourage the diversification of financing vehicles for SMEs.

[E/04] Consider institutionalizing a Qualified Small Investment Project (QSIP) investment scheme that is complementary to the

existing QIP scheme, in order to promote investment in SMEs.

Financial support to WSMEs

- (1) Design a special WSME fund/special criteria for selecting WSMEs under the aegis of the SME Bank.
- (2) The Fund's design can include seed capital and capital for expansion and growth. Develop guidelines for both types including the extent of guarantees, amount of funding based on type of business that WSMEs engage in.
- (3) Encourage match-making activities particularly with financial institutionss that have listed bonds on the Securities and Exchange Commission of Cambodia with the goal of funding WMSMEs.

Capacity building

- (1) Development of content on financial management (similarly as discussed for other content development).
- (2) Dissemination programs for Information and knowledge of financial institutions.
- (3) Support product and delivery channel development efforts of financial institutions to cater specifically to WSMEs. Understanding the needs and perceptions of women as a distinct segment can help banks design products and services that are more client-centric.

Research:

- (1) Alternative financing models (e.g. WING SME finance options, social/impact investors).
- (2) Make it mandatory for all financial institutions to disaggregate their data by gender, WSMEs and micro-enterprises and report on this to the National Bank of Cambodia (NBC).

Incentives:

- (1) Use of QIP, already covered in earlier recommendations, to increase flow of funding to WSMEs.
- (2) Create a guarantee scheme for financial institutions (e.g. First Loss Default Guarantee financial institutions are provided 10 per cent of loan disbursement value to meet default on loans







from WSMEs). This can act as guarantee in lieu of collateral. This can be for loans up to US\$10,000 though feasible amount has to be established via research.

Cooperation and Coordination:

- (1) Government agencies: MoWA,MISTI, Ministry of Economy and Finance (MEF) (via NBC) to coordinate in business matching function and diffusions of content using NBC's established platforms for financial literacy.
- (2) Private sector: business matching with alternative financing private sector schemes.
- (3) International agencies: Support from United Nations agencies for purposes of research and design of funding options.





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