



## Press Release

### Women's Digital Entrepreneurship Programme (WDE)

#### Episode 7: "Women and Access to Finance"

24<sup>th</sup> September 2021, Phnom Penh, Cambodia

**Improving women-owned SMEs' access to finance is critical to stimulate economic activity and speed up private sector development in Cambodia, finance leaders said during the seventh episode of the Women's Digital Entrepreneurship (WDE) policy dialogue.**

The seventh episode of the dialogue entitled "Women and Access to Finance" was held on 24<sup>th</sup> September 2021 with two distinguished guest speakers: Mr Hong Sokleng, Senior Vice President of Chip Mong Bank, and Mr Kea Borann, CEO of AMK Microfinance. This session was moderated by Ms Vong Chakriya, Programme Coordinator of WDE. It discussed the barriers facing women entrepreneurs and SME owners in accessing finance and explored the solutions to help overcome the obstacles faced by women and SMEs.

In this episode, **Mr Sokleng** explained that more SMEs and households could access formal financial services as the country's financial sector has experienced a significant expansion. **Mr Borann** seconded this point, noting that around two million Cambodian households could obtain bank loans today. Nevertheless, despite this growing number, a lack of access to finance remains a major barrier facing women entrepreneurs and SME owners as financial institutions still require collateral or proof to prove their creditworthiness. This challenge is particularly challenging for new enterprises as they have no prior credit and business operating records necessary for credit-check.

The episode also touched on what has been done in Cambodia to unlock greater access to finance. **Mr Borann** stated that the Cambodian government has set up an SME bank to provide financial support (directly and indirectly) to SMEs and a Credit Guarantee Corporation of Cambodia (CGCC) to facilitate SMEs' access to finance. The government has also initiated several policy frameworks. In response, the private sector supports the government effort by focusing on training in financial management, business planning, and consulting services, said **Mr Sokleng**. In addition, the speakers exchanged views on the patterns of finance provided to women entrepreneurs by domestic financial institutions. **Mr Sokleng** highlighted that businesses run by women entrepreneurs are now more likely to be approved for a business loan than those run by men. It is commonly accepted that women are stronger savers than men and more responsible borrowers, minimising the risk of loan default. This claim was strongly supported by **Mr Borann**, who stressed that at AMK microfinance, women constitute 80% of total consumers.

For women-owned SMEs to secure funding, the guest speakers also offered several recommendations. First, women-owned SMEs need to keep track of every financial transaction made by their firms and record them, as financial institutions still need bookkeeping to allow for business loans. At the same time, women entrepreneurs should formally register their firms as official registry records help improve their creditworthiness and provide trust for financial institutions. With these records, women entrepreneurs will be able to secure their funding.