



WDE Commentary No. 7

“Women and Access to Finance”

The WDE Policy Dialogue

វគ្គទី៧ ៖ “ស្ត្រី និងលទ្ធភាពទទួលបានហិរញ្ញវត្ថុ”

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Hay Seangmey: *Junior Programme Coordinator at the Centre for Inclusive Digital Economy (CIDE) of the Asian Vision Institute (AVI).*

The 7th episode of the WDE Policy Dialogue entitled “**Women and Access to Finance**” was hosted by **Ms Vong Chakriya** on 24th September 2021. She was joined by two distinguished speakers, **Mr Hong Sokleng**, Second Vice President of Chip Mong Bank, and **Mr Kea Borann**, Chief Executive Officer at AMK Microfinance Institution.

This episode defined access to finance, finance accessibility in Cambodia, public and private sectors’ efforts to make finance accessible, especially to female business owners, the challenges to receive finance, and the tips for women-owned Small and Medium-Sized Enterprises (SMEs) to obtain finance.

Mr Sokleng defined access to finance as the ability to receive loans when needed. He mentioned that Cambodia has a free and competitive market; thus, various financial institutions are established, making more choices available for citizens. In complementary, there are knowledge sharing and training provided by different financial institutions to citizens, resulting in more understanding of finance-related matters.

Adding on the accessibility of finance, Mr Borann emphasised that about two to three million people have received services related to finance, such as banking and microfinance loans in Cambodia. Therefore, the chances of accessing finance are high. However, accessing finance comes with a condition, which is only accessible to those who could repay the loans. He stated that loans access is still difficult for young generations and startups because their businesses are still in an early stage; thus, it is quite difficult to get loans. In addition, women-owned SMEs are still facing difficulties in receiving loans. Therefore, although the access to finance is

wide, plenty of actions still need to be taken.

Regarding what the private and governmental sectors have done to support the finance sector in the Kingdom, Mr Borann responded that the government had put significant attention on SMEs in the past two years. For example, there is an establishment of Credit Guarantee Corporation of Cambodia (CGCC), which allows finance to SMEs without full reserve. There are also training and workshops provided for SMEs as well.

Similarly, Mr Sokleng mentioned that the government provides many facilitation and training. The National Bank of Cambodia has also helped out. On the private sector side, for example, Chip Mong Bank provides consultations on loans regardless of whether the citizens want it immediately or for the future.

In terms of challenges in receiving loans for SMEs, both speakers share similar concerns. Mr Borann mentioned that strong financial statements and notes on business transactions are mandatory if SMEs would like to apply for loans. Mr Sokleng agreed that it is challenging to access loans if there are no proofs for banks to analyse. Therefore, he suggested that SME owners or family business owners should start recording finance on books.

In another part of the dialogue, the moderator focused on women’s role in accessing finance. Upon granting the loans, both speakers agree that having women as borrowers lowers the risk of default. Mr Sokleng mentioned that banks have more confidence in women customers. According to Mr Borann, there is about 80 per cent of female loans recipients in AMK. Both of the speakers also support having women as loans officers. Mr Sokleng mentioned that female loans officer are

more concise compared to their men counterparts. Mr Borann then added that because there are a lot of female borrowers, having female loan officers make communications between the officers and borrowers more convenient and more understanding. Having female loan officers also inspires other women to take on finance in their career path.

For example, Chip Mong Bank has great confidence in having female employees and female leaders in their senior management team. Likewise, at AMK, the female customers account for 80 per cent while the women-owned SMEs consist of 60 per cent. Especially for female business owners, AMK has signed a Memorandum of Understanding (MOU) with female-oriented associations to offer training for female business owners. Mr Borann hoped that there would be more women and associations being connected with AMK.

Furthermore, both speakers raised challenges, including time constraints and the hesitant approach of women in business. Both speakers mentioned that although women seem to possess a good quality of critical and foresighted thinking, sometimes, it could result in slow action. Mr Borann raised an example that in cases that loan officers requested further information, women business owners tend to be hesitant, questioning their data usage. Thus, it made the loan officers suspicious in giving them loans in return. Another reason is time constraints. Mr Sokleng mentioned that women tend to be responsible for taking care of their business and their families. It might also be one reason that women SMEs are hindered from expanding because they are afraid of not having sufficient time for their families. Mr Borann

further said that communication in society is important. Because women have great family responsibilities, they could not have adequate time to communicate with loan officers.

Lastly, both speakers recommend women business owners to thrive and get accessible finance in Cambodia. Mr Borann emphasised the need to record financial transactions digitally and register the business with legal authorities. He explained that there are currently even mobile apps available; thus, the owners could record conveniently without using a laptop. Registering business authorities is equally important. In return, it would produce a clear and precise flow of transaction and legal foundation to request for finance conveniently, with a higher chance of approval. While agreeing on the financial record part, Mr Sokleng further advised female business owners to think big and have ambitions to expand their business to a higher level. Women business owners should spare time from their family responsibility to build a network and communicate more in society. Good connections and wide knowledge could help them level up their business strategies and look for more opportunities.

In conclusion, there are efforts made by the government and banking institutions to promote finance accessibility in Cambodia, such as providing training, workshop and consultations to women-owned SMEs. Nevertheless, two major loopholes remain. These include taking financial records and balancing time between family care and communication in society. With these points solved, women would be more accessible to finance.