



Catalyzing Women's Entrepreneurship  
Creating a Gender-Responsive Entrepreneurial Ecosystem

# Cambodia

## POLICY INITIATIVES

**MSMEs** REPRESENT **99.8%** OF ALL ENTERPRISES IN CAMBODIA <sup>(1)</sup>

MSMEs CONTRIBUTE OF CAMBODIA'S GDP **58%** AND **70%** OF EMPLOYMENT <sup>(1)</sup>

ON AVERAGE, WOMEN EARN **27% LESS** THAN MEN FOR SIMILAR WORK <sup>(3)</sup>

### LAWS AND POLICIES RELATING TO MSMEs AND WOMEN-LED MSMEs

**Draft SME Development Policy 2020:** Focus on improving legal and regulatory environment to support MSMEs and WMSMEs

**Industrial Development Policy 2015-2025:**

Promote Cambodia's manufacturing sector to make it skill-driven

**Rectangular Strategy IV:** Accelerating implementation of SME Development framework <sup>(4, 7)</sup>



**WOMEN- 61%** OF BUSINESSES IN CAMBODIA <sup>(4)</sup>

IN CAMBODIA, IT TAKES **9 PROCEDURES** AND **99 DAYS** TO START UP AND FORMALLY OPERATE A SME <sup>(2)</sup>

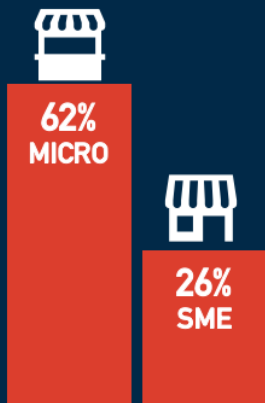
### INFORMAL SECTOR EMPLOYMENT BY GENDER



**58%**

**OF WOMEN LOAN** APPLICATIONS ARE REJECTED DUE TO INSUFFICIENT COLLATERAL <sup>(4)</sup>

### WOMEN-OWNED ENTERPRISES SIZE

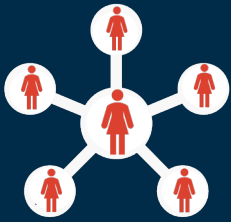


### WOMEN-OWNED MSMEs BUSINESS ACTIVITY BY SECTOR





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### KNOWLEDGE AND OPPORTUNITIES

The CWE project was launched in Cambodia in partnership with the National Committee of ESCAP (NC-ESCAP) through a **national consultation** that brought together **more than 80 stakeholders**. Participants included government leaders from key ministries, alongside agencies in the areas of gender equality, SME development, trade, ICT and finance. The national consultation provided substantive background on the issues of enabling environment for women entrepreneurs, from formal policy and regulatory environment to wider informal institutions and their impact on the capacity of women to engage in entrepreneurial activities. The press release from the event can also be found **here**.



### FORMALISED MECHANISMS

Building on the national consultations, an in-country **Project Advisory Committees (PAC)** was established. The first PAC was chaired by NC-ESCAP, with the Ministry of Industry, Science, Technology and Innovation (**MISTI**) and Ministry of Women Affairs (**MOWA**) as vice-chairs. The PAC resulted in the formalisation of an inter-ministerial mechanism to address the specific barriers effecting women entrepreneurs in Cambodia. This also generated a pathway for continued engagement of diverse stakeholders beyond the traditional gender machineries. The PAC also identified specific areas of policy and technical assistance to be focused on to advance women's entrepreneurship in Cambodia.



### TECHNICAL ASSISTANCE

Technical assistance was provided by ESCAP through two Policy Recommendations Papers, focused on the development of SME Policy in Cambodia, **"Policy Provisions for Women SMEs"**. Accounting for the unique set of challenges that women-led SMEs face, the paper laid out clear and actionable policy interventions to be considered for women entrepreneurs in Cambodia. Based on the recommendations paper, the draft SME policy was revised to include all of the provisions recommended by ESCAP, targeting WMSMEs. Secondly, a recommendations paper on making the **"Entrepreneurship development fund gender responsive for women entrepreneurs in Cambodia"** was delivered at request of Ministry of Economy and Finance (**MEF**). The paper provided detailed recommendations related to WMSME specific programs planned under the fund as well as governance and management of the fund to further support the advancement of women's entrepreneurship in Cambodia.



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### MITIGATING THE IMPACT OF COVID-19

ESCAP and MISTI jointly prepared policy guidelines on the **"Preliminary impact of COVID-19 on women owned micro, small and medium enterprises in Cambodia"**. The paper drew from feedback from various in-country sources as well as international organizations working towards mitigating impact of COVID-19 in Cambodia. Generating clear and actionable policy recommendations for the Government of Cambodia to consider in addressing the impacts of the COVID-19 pandemic on women-owned MSMEs. In particular, the policy recommendations focused on ensuring women entrepreneurs would be supported in the outbreak as well as to build back better in the recovery from the impacts of COVID-19.



### WOMEN'S ENTREPRENEURSHIP DEVELOPMENT CENTRE

ESCAP provided technical advisory support for the design and establishment of the **Women Entrepreneurship Development Centre (WEDC) in Cambodia** under MoWA. WEDC will leverage the strengths of the public and private sectors to develop the women's entrepreneurship ecosystem through **trainings, business incubation and acceleration, research and knowledge generation, and offering collective spaces and access**. WEDC is expected to impact over **20,000-23,000 women entrepreneurs** in Cambodia over next five years through a multi-dimensional ecosystem approach to strengthen women's entrepreneurship.



### CATALYZATION OF WOMEN'S ENTREPRENEURSHIP

ESCAP's **partnership with Ministry of Industry Science Technology and Innovation (MISTI) has been formalized** through a **Letter of Agreement** that will provide a framework for implementing project activities in Cambodia as a part of the policy pillar. The areas of focus in the LOA are: a) Development of the **One-Roof Service, focusing on women MSMEs** to streamline business registration policies in Cambodia by improving the legal and regulatory frameworks; b) Technical assistance on the **online business registration platform** launched by the Government of Cambodia in **December 2020**, supporting the formalization of women entrepreneurs in rural areas and informal sectors; and c) a monitoring and evaluation framework with indicators for tracking progress of women entrepreneurs- this will generate the collection and reporting of progress of support policies for women entrepreneurs based on CWE project initiatives.



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### ENABLING ECOSYSTEM

The second PAC meeting held in March 2021, witnessed participation of more than 20 representatives from key ministries, including MISTI and MOWA and financial institutions. The meeting took stock of the progress made under the project in the year 2020 and highlighted pertinent issues that need to be addressed, such as establishing a credit guarantee scheme and COVID-19 impact on businesses.

Building on the partnership with MISTI, guidelines on One Roof service (ORS) and business registration processes have been developed by ESCAP. Accounting for unique challenges faced by women entrepreneurs, the guidelines provide an action plan to improve business registration for women entrepreneurs, especially those in rural areas. It also provides recommendations on increasing access to services for women led MSMEs through the ORS platform.



### ONE ROOF SERVICE

ESCAP and MISTI jointly organized a stakeholder consultation in July 2021 on one-roof system and online business registration process for women entrepreneurs to disseminate the guidelines and develop a roadmap for implementation. The consultation virtually brought together over 50 stakeholders including policymakers, women entrepreneurs associations, private sector organizations, public sector entities and industry experts to discuss key recommendations in making the ORS platform and business registration process more gender-responsive as well as increasing women entrepreneurs' access to capacity building opportunities and services critical for their businesses. Based on the discussions, a strategy to disseminate these guidelines at national and provincial levels has been developed and is currently being implemented in two provinces.



### STRATEGIC IMPLEMENTATION

Building on the revisions to the SME Development Policy and Five-Year Plan advised by ESCAP, an implementation plan for gender-specific provisions of the policy is being developed in collaboration with MISTI. The plan forms the foundation to ensure that stipulated policy provisions related to women MSMEs are implemented in a strategic manner, providing actionable interventions and framework for implementation for enhancing regulatory environment, public-sector capacity, innovation and access to finance for women.



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### CAPACITY DEVELOPMENT

Women's Entrepreneurship Development Centre under MoWA is being implemented with support of ESCAP and SHE Investments to facilitate incubation and training of 126 women entrepreneurs in urban as well as rural areas through development of critical skills of financial management, business modelling, and digital innovation. This is being complemented with a research on how unpaid care and domestic work impacts women's participation in entrepreneurial activities to provide recommendations to MoWA on care work considerations in designing policies and programmes for strengthening women's entrepreneurship.

The Programme is active across  
**SOUTH ASIA, SOUTH EAST ASIA and THE PACIFIC.**

With on-the-ground activities in:



(1) MISTI 2018 (2) The World Bank Doing Business 2020 (3) WEF 2017 (4) IFC 2019 (5) NBC 2017-2020 (6) ADB 2015 (7) ESCAP 2020



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