

AMRET | Cambodia

Supporting women-owned/led small and medium enterprises (WSMEs) in Cambodia

Market Gaps

COUNTRY CONTEXT

Although Cambodia has undergone a positive economic transition over the last two decades, enjoying sustained GDP growth averaging 7.8 percent between 1999 and 2019, GDP is expected to fall sharply in 2020 due to the COVID-19 global pandemic.

The pandemic has caused sharp decelerations in the first quarter of 2020 in most of Cambodia's main engines of growth, including tourism, construction and garment manufacturing sectors.

ACCESS TO FINANCE

The COVID-19 induced recession has led banks to tighten their lending, just at a time when it is most needed by small and medium enterprises (SMEs), and in particular by WSMEs. SMEs' working capital cycles have lengthened, due to delays in sourcing and shipment, interruptions in supply chains, and reduced sales due to lockdowns. WSMEs are expected to be affected disproportionately. Access to short term liquidity is essential for enabling SMEs to continue operations during the pandemic.

SMEs Face Barriers



**LIMITED
MANAGEMENT
AND FINANCIAL
SKILLS**



**LIMITED
FUNDING
OPPORTUNITIES**



**WEAK DOMESTIC
LINKAGES**

Client

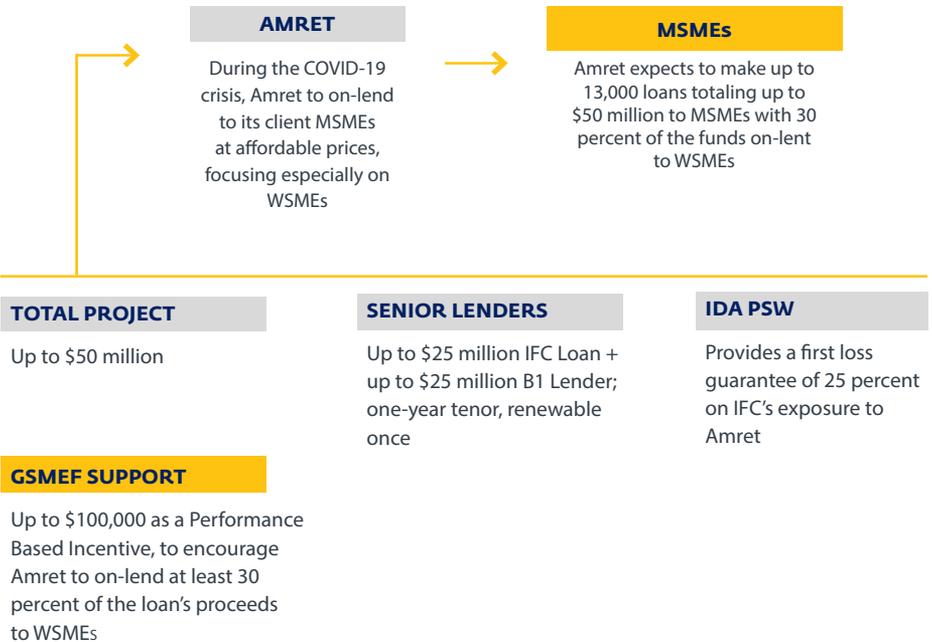
Amret is the third largest microfinance deposit taking institution in Cambodia. It has been providing financial services for nearly 30 years to low-to-middle-income populations as well as to micro, small and medium enterprises (MSMEs), with a focus on agriculture and rural areas. It provides a wide range of financial services to more than 510,000 clients and has a substantial operational network and reach in rural and underserved areas. Most (74 percent) of its clients are rural.

The Global SME Finance Facility, a blended-finance partnership funded by the UK Foreign, Commonwealth & Development Office (FCDO) and the Netherlands Ministry of Foreign Affairs, is focused on helping to close the financing gap faced by SMEs in emerging markets. Catalyzing access to finance for SMEs, the facility has a goal of generating one million new jobs in the SME sector.

ABOUT THE PROJECT

IFC, with support from multiple Blended Finance donors, is providing a working capital loan to Amret, a Cambodian microfinance institution, for on-lending to its MSME clients, many of whom have been adversely affected by the economic downturn from COVID-19. IFC can most effectively reach these MSMEs by providing financing to microfinance institutions such as Amret, the third largest microfinance deposit-taking institution in Cambodia for its on-lending to their large client base. The Project is part of IFC's COVID-19 Working Capital Solutions program, which allows IFC to quickly extend short term loans to existing financial intermediary clients who are in good standing. GSMEF's Performance-Based Incentive will ensure that Amret targets its on-lending to MSMEs owned and/or led by women entrepreneurs.

INVESTMENT SERVICES STRUCTURE



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