



## PRESS RELEASE

# MICROFINANCE SECTOR IN CAMBODIA DRIVES SUSTAINABLE DEVELOPMENT GOALS, INDEPENDENT REPORT REVEALS

*Phnom Penh, Cambodia, 19 January 2024* - A recent independent impact assessment study reveals that the microfinance sector in Cambodia is not only a robust economic engine but also a powerful force propelling the nation towards the achievement of Sustainable Development Goals (SDGs).

The report, commissioned by the Cambodia Microfinance Association (CMA) and conducted by M-CRIL delves deep into the transformative influence of microfinance on Cambodia's socio-economic landscape, highlighting its achievements and issues along with its contribution to specific SDGs.

### **Key Findings from the Impact Assessment Study:**

The impact assessment study, conducted meticulously with 3200+ microfinance clients from 10 provinces and 450+ villages, highlights the microfinance sector's multifaceted impact on the lives of Cambodians.

The study reveals that two-thirds of the sample reported an improvement in their lives, with 31% experiencing substantial economic benefits and life improvements, while another 36% reported some improvement over the past 5 years. This is a tribute to the economic growth of Cambodia supported, for many low income households, by the availability of microfinance.

### **CMA Chairman Mr. Sok Voeun's Perspective:**

CMA Chairman Mr. Sok Voeun, commenting on the report findings, expressed, "The microfinance sector's transformative impact is not just economic but extends into the social fabric of Cambodia. This study reaffirms the sector's role in fostering economic empowerment and social progress. As the Cambodia Microfinance Association, we are dedicated to leveraging these insights to continually enhance the sector's positive contributions to our society."

### **Nurturing Sustainable Development Goals**

Explore the ways in which the microfinance sector in Cambodia is driving progress towards key SDGs:

#### **SDG 1: No Poverty**

**Microfinance Accessibility:** The study reveals that microfinance is accessible to 58.6% of the sample, with 67% reporting substantial life improvements. This positive correlation indicates a meaningful impact on poverty reduction, particularly among very poor households.

#### **SDG 2: Zero Hunger**

**Life Improvements and Food Intake:** Life improvements, especially among the poor and vulnerable sections, have contributed to achieving SDG-2, with only 0.8% of the sample affected by temporary periods of reduced food intake.

### SDG 3: Good Health and Well-being

Quality of Life: The study indicates that 67% of the sample experienced some improvement in their lives, contributing to overall well-being. While challenges exist, the overall trend is positive.

### SDG 5: Gender Equality

Empowering Women: Microfinance demonstrated a direct contribution to gender equality, with a higher number of female borrowers (46%) than male borrowers (41%). Challenges were acknowledged, emphasizing women's role and confidence in financial decision-making.

### SDG 8: Decent Work and Economic Growth

Entrepreneurial Growth: Both female and male respondents reported using loans to grow their micro and small businesses, contributing to economic growth. This entrepreneurial growth aligns with the spirit of SDG-8.

### SDG 10: Reduced Inequalities

Impact on Inequalities: For the 31% of microfinance clients who reported substantial life improvements, there is an indication of reduced inequalities, directly linked to the zero-poverty goal of SDG-1.

### SDG 11: Sustainable Cities and Communities and SDG 12: Responsible Consumption and Production

Macro-level Policy Impact: Acknowledging that these SDGs affect policy and actions at the macro-level and do not directly apply to microfinance services, the report emphasizes the sector's role in fostering responsible financial practices and contributing to sustainable economic growth.

## **A Vision for the Future**

The detailed findings of the impact assessment report position the microfinance sector as a dynamic force for positive change, aligning with various SDGs and fostering inclusive growth in Cambodia. The report also underscores the need for ongoing collaboration and commitment to building a more resilient and sustainable financial ecosystem.

## **About Cambodia Microfinance Association (CMA)**

The Cambodia Microfinance Association (CMA) is an NGO and professional association based in Phnom Penh, dedicated to promoting responsible and sustainable microfinance practices for the economic development of Cambodia.

## **About M-CRIL**

M-CRIL is a highly respected, independent development research agency specializing in microfinance assessments, providing valuable insights into the social and economic implications of microfinance interventions globally.

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