



JOINT STATEMENT

NBC-UN Convening Multi-stakeholder Consultation Process on Microfinance in Cambodia

24 July 2024

In November 2023, the National Bank of Cambodia and the United Nations in Cambodia commenced co-convening a multi-stakeholder consultation process on microfinance in Cambodia due to increasing concerns regarding the rapid growth of the microfinance sector in Cambodia and potential linkages to other issues such as indebtedness. The consultation process aimed to facilitate constructive stakeholder engagement, develop a shared understanding of the issues, and identify specific actions and commitments that might support all stakeholders in navigating challenges and seizing opportunities to strengthen the banking and financial sector. A series of individual stakeholder group dialogues and multi-stakeholder technical meetings were subsequently conducted, and stakeholders representing 100 different groups and institutions were consulted, including representatives from government, regulatory bodies, banking and financial institutions and associations, investors, civil society and non-government organizations, think tanks, and development partners, along with UN agencies, and international financial institutions.

On 12 July 2024, a pivotal high-level multi-stakeholder dialogue was convened to consider the findings of the extensive consultation process and chart the way forward. Across **five priority areas**, **stakeholders adopted a series of actions to be undertaken across the** short-, medium-, and long-term.

1. **Regulation and Supervision:** Mandate the implementation of the code of conduct and lending guideline; enhance cooperation and coordination among different regulatory bodies; and ensure an effective self-regulation mechanism.
2. **Borrower support:** Strengthen complaint mechanisms; create a working group to establish an independent debt counselling and mediation mechanism; and enhance financial literacy for borrowers.
3. **Technical enhancement:** Collect/share consolidated data; develop regulation on loan restructuring and/or refinancing; and standardize the definition of microloans.
4. **Focus on informal lending and local authorities:** Enforce regulation on informal lending; and enforce the roles of local authorities.
5. **Insurance:** Pilot an insurance scheme for agricultural risks due to climate change under modern agricultural cooperatives; and establish a working group to support the creation of modern agricultural cooperatives for indigenous people communities.

The representatives who attended the high-level multi-stakeholder dialogue affirmed the commitment to foster a fairer and more transparent banking and financial sector that serves the needs of the Cambodian people by promoting responsible and inclusive banking and financial practices.

This process has not concluded but remains ongoing. The next scheduled multi-stakeholder meeting will take place in **January 2025** to evaluate and monitor the progress of these actions by all relevant stakeholders.

Together, we remain dedicated to ensuring that the banking and financial ecosystem empowers individuals, especially the most vulnerable groups, supports the sustainable development agenda, and contributes to the overall economic stability of Cambodia.

[Enclosed annex](#) is the full list of priority actions.

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