

Opening Remarks

Policy Workshop on “Strengthening National Capacities for Enhancing Micro-, Small and Medium-sized Enterprises (MSME) Resilience and Building Forward Better to Implement the 2030 Agenda for Sustainable Development in Cambodia”

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His Excellency Mr. Peou Vannnda, Director-General, General Department of Handicrafts, Small and Medium Enterprises, Ministry of Industry, Science, Technology and Innovation

His Excellency Mr. Heng Sokkung, Secretary of State, Ministry of Industry, Science, Technology and Innovation

Members of the UN Country Team,

Representatives of the MSME sector in Cambodia,

Ladies and gentlemen,

I am pleased to join you today at this policy workshop on strengthening national capacities for enhancing Micro-, Small and Medium-sized Enterprises resilience and building forward better to implement the 2030 Agenda for Sustainable Development in Cambodia. First of all, please allow me to start by thanking the Ministry of Industry, Science, Technology and Innovation for the partnership and support for this workshop. I would also like to thank the presence of key stakeholder groups for MSME growth in Cambodia, including senior policymakers, national and sub-national government officials, MSME entrepreneurs and development partners. Your active participation and contributions are key to the success of this workshop.

Comprising over ninety per cent of business entities globally, MSMEs contribute significantly to achieving the 2030 Agenda for Sustainable Development. They are crucial forces fostering inclusive growth, strengthening shared prosperity and are vital to attain the Sustainable

Development Goals, particularly for eradicating poverty, achieving zero hunger, promoting gender equality, creating decent jobs and combating inequality. According to MISTI, there were about 520,000 small and medium-sized enterprises in Cambodia in 2019, contributing to economic growth, industrialization and sustainable development in Cambodia. It is worth noting that a significant number of MSMEs in Cambodia is led by women entrepreneurs.

Unfortunately, since the outbreak of the COVID-19 pandemic, MSMEs, especially those led by women, youth and groups in vulnerable conditions, have been disproportionately affected by a myriad of challenges, including not only the Covid-19 pandemic, but also by the climate crisis, conflicts and rising inflation. As a result of COVID-19, MSMEs have experienced cashflow pressures, reduced customer foot traffic and interrupted supply chains. As a result, levels of unemployment, extreme poverty and inequality have worsened, threatening the hard-earned progress towards Sustainable Development Goals. These challenges have led to the United Nations' World Economic Situation and Prospects downgrading the global growth forecast for 2022 from 4.0 per cent to 3.1 per cent. In his message on the 2022 Global MSME Day, the United Nations Secretary-General called for the commitment to leverage the full potential of MSMEs to *“rescue SDGs and build a more prosperous and just world for all”*.

It is worth noting that governments around the world have launched policies and programmes to support MSMEs, keeping their businesses afloat amid economic shocks and uncertainties. On their part, MSMEs have also been proactive, with many changing production patterns and adopting digitization and e-commerce models. The resilience shown by MSMEs during these challenging times has contributed to protecting jobs and livelihoods, especially for the poor and groups in vulnerable situations. Apart from stimulus and liquidity injections as the emergency response to the pandemic, it is critical to ensure that sustained policy support is tailor-made and targets the diverse demands of the MSME sector. Such support will strengthen MSME capacities and enhance resilience to economic shocks, contributing to their pursuance for inclusive economic growth, innovations and the transition to sustainable business models, including green growth opportunities.

Ladies and gentlemen,

Our gathering here today is timely and important. Through inclusive dialogue and stakeholder discussions, this workshop aims at identifying policy good practices and facilitating the exchange of lessons learnt on enhancing MSME capacities and resilience for building forward better to implement the 2030 Agenda for Sustainable Development in Cambodia. It will also come up with policy recommendations on optimizing MSME contributions to sustainable development priorities in Cambodia, such as the Industry Development Plan (IDP, 2015-2025). At this moment, I am glad to inform you that the Division for Sustainable Development Goals of the United Nations Department of Economic and Social Affairs has launched two interconnected projects that aim at strengthening MSME capacities and resilience for accelerating progress towards SDGs in nine countries in Africa and Asia, including Cambodia.

The first project funded by the United Nations Peace and Development Fund on *“Strengthening national capacities for enhancing MSME resilience and building forward better to accelerate the implementation of the 2030 Agenda in developing countries”* will be implemented from 2022 to 2024. The second project funded by the United Nations Development Account on *“Strengthened resilience of MSMEs in Africa and Asia”* will be implemented from 2022 to 2025. Cambodia is a pilot country of both projects. Together with MISTI, the UN Country Team and key MSME stakeholders in Cambodia, DSDG/DESA will endeavor to pursue synergies of both projects with existing MSME supporting policies and programmes to strengthen their capacities, boost their resilience to shocks and uncertainties, and better position them to capture high-value market opportunities.

Ladies and Gentlemen,

At the 12th ASEAN-UN Summit hosted by the Government of Cambodia last week, the United Nations Secretary-General called for strengthening collective efforts and multilateral solutions to weather geopolitical storms and get the SDGs back on track. Going forward, we should remain convinced that international cooperation and partnerships make significant contributions to strengthening capacities and boosting the aspirations of MSMEs. The United Nations Department of Economic and Social Affairs looks forward to continuing our successful

cooperation and partnerships with the Government of Cambodia, the UN Resident Coordinator Office, the UN Country Team and development partners in Cambodia. It is imperative that we work together to enhance MSME capacities and resilience to leverage their full potentials as the first responders to protect jobs, provide decent livelihoods and build back better and stronger from the COVID-19 pandemic in this Decade of Action to deliver the SDGs.

I thank you for your attention and I wish the workshop a smooth success.
