



អង្គការ សមធម៌កម្ពុជា
equitable cambodia



អង្គការសហគមន៍ទន្លេត្នោត
Sahmakum Teang Tnaut Organization - a Cambodian Urban NGO



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1. The Cambodian government has failed to address rampant predatory lending and coercive collection practices in the country’s microloan sector. This has fueled a private debt crisis across the country. The government’s inaction regarding the adverse human rights impacts have prevented effective implementation of at least 30 accepted recommendations from the third UPR cycle related to: the right to development; the right to an effective remedy; business and human rights; economic, social and cultural rights; the right to an adequate standard of living; the right to food; the right to health; the right to education; the rights of Indigenous Peoples; the advancement of women; and the protection of children.

Background

2. Cambodia’s predatory and over-saturated microfinance and microloan banking sector has created adverse, severe human rights impacts. For years, foreign investors pumped billions of dollars into micro, small, and medium enterprise (MSME) lending through Cambodian banks and microfinance institutions (MFIs). At the same time, Cambodian and international nongovernmental organisations (NGOs) and others documented and reported on related threats and intimidation, predatory lending practices, and coerced sale of land, including indigenous-owned land, committed by major lenders. Those lenders include both registered MFIs and a group of banks that maintain a microloan portfolio (collectively “microloan providers”).
3. In response, the Cambodian government has threatened and intimidated borrowers and local NGOs that report on adverse impacts, without improving customer protections. Credit officers and microloan providers continue to act with impunity. The government’s ongoing failure to

ensure universal access to free healthcare and education forces Cambodians to turn to microloans to cover essential costs.

4. The scale of harm is significant. As of March 2023, the microloan portfolio in Cambodia encompassed 2.89 million loans worth more than \$16 billion—a staggering figure that represents around half of the country’s GDP as microloan debt.¹ A 2022 study by the Institute for Development and Peace (INEF), which was funded by Germany’s Federal Ministry for Economic Cooperation and Development (BMZ), found that almost half of surveyed indebted households faced repayment difficulties,² and concluded that human rights violations that “are likely to be numerous, even on a national scale.”³
5. Oversaturation, financing subsidized by development banks, and deleterious incentive schemes for credit officers have driven high competition among microloan providers. Cambodia’s microfinance market was found to be among the most saturated in the world in 2020⁴, and the situation has since worsened. The lack of meaningful regulation and consumer protection in the sector has allowed predatory lending and abusive collection practices to flourish, negatively impacting a significant number of borrowers.
6. The severity of harm is devastating. Based on industry data, the average size of a microloan in Cambodia is over \$4,000⁵—the highest in the world and several times more than the annual income of most Cambodians—and land titles are routinely required as collateral.⁶ High loan sizes drive borrowers to cycle through devastating harms to make repayments. Research has documented borrowers’ reports of these harms for years: eating less and poorer quality food; taking children out of school; putting children to work in service of the private debt; involuntary migration; dispossession of traditional land and resources in indigenous communities; and debt-driven sales of land and other income-generating assets.⁷ The Association of Banks in Cambodia and the Cambodian Microfinance Association recently issued a joint statement calling for investigations into reports of suicides and attempted suicides due to overly aggressive actions by loan officers in Ratanakiri province.⁸
7. Private actors have failed to self-regulate in the absence of meaningful government regulation. Debt-driven land sales and other harms have yielded substantial profits for lenders. Six of Cambodia’s biggest microloan providers posted record earnings in 2020, while the Covid-19 pandemic was ravaging the country’s economy.⁹ Two current and former MFI executives interviewed in 2019 acknowledged that microloan providers routinely pressure clients to sell land in order to pay back loans, with one executive stating, “Land prices are the single most important factor for the MFI market right now.”¹⁰

Business & Human Rights and the Right to Development

8. The spiraling over-indebtedness crisis impedes equal implementation of accepted recommendations on the right to development. Ubiquitous predatory lending in the microfinance sector is reversing progress on implementing the accepted recommendations from the third UPR cycle to, “[i]ncrease...efforts to fulfil the economic and social rights of the people”¹¹ and “[t]ake further measures to sustain and reinforce progress made in poverty reduction”.¹²
9. The unethical lending practices employed by many credit officers target borrowers’ land, which in turn inflates loan and monthly repayment sizes beyond borrowers’ income and ability to repay. In 2019, the World Bank noted rising risks in the microloan sector including deteriorating lending practices and a more than tenfold-increase in the average loan size.¹³ Borrowers stated in NGO interviews in 2020 and 2021 that the only thing MFIs ask about before giving loans is whether the borrower has a land title.¹⁴ These reports were corroborated by the 2022 INEF-

BMZ Study, which concluded that, “a considerable number of currently over-indebted [households], including those classified as poor (ID Poor¹⁵), were granted loans not on the basis of cash flow analyses, but because of the presence of land titles as collateral.”¹⁶

10. UN human rights experts have acknowledged the link between financialisation of land and expanded credit and private debt, which makes “individual households vulnerable to predatory lending practices and the volatility of markets, the result of which is unprecedented housing precarity.”¹⁷ The UN Special Rapporteur on adequate housing has criticized how the financialisation of land as a commodity has led to widespread evictions and displacement, and called for improved human rights accountability within financial systems.¹⁸
11. In September 2021, the UN Secretary-General’s report to the Human Rights Council expressed concern that Cambodia’s high average loan repayment sizes and the use of land as collateral made the loss of property foreseeable.¹⁹ The 2022 INEF-BMZ Study estimated approximately 167,000 debt-driven land sales had occurred since 2017.²⁰
12. For years, borrowers across the country have reported threats, intimidation, orders, and direct pressure from credit officers to sell land privately to repay loans. Borrowers have also identified perceived pressure as a reason for land sales occurring under duress and coercive conditions.²¹
13. Although Cambodia’s Civil Code provides the legal mechanism for collection in the event of a default, six of Cambodia’s largest microloan providers reported in 2022 that they avoid resorting to the courts “wherever possible” due to the time, cost, and risk of negative public attention.²² The 2022 INEF-BMZ Study only reported two court cases for collection (for large loan amounts of \$50,000 and \$100,000), versus 61 borrowers who sold land without court proceedings to make debt repayments.²³
14. Coerced land sales occurred in 22 out of 28 case studies reported by LICADHO and STT in 2019.²⁴ The majority of lost land was income-generating, such as farmland, and negatively impacted the borrowers’ livelihoods. In NGO-conducted focus groups and individual interviews with members of 14 communities from eight provinces in 2020 and 2021, aggressive collection practices were reported in 12 of the 14 communities, with pressured land sales and threats reported in nine communities.²⁵
15. Research conducted among 717 households in the province of Kampong Speu in 2022 revealed that 6.1% of respondents had sold land in order to repay MFI debts.²⁶ This means approximately 9,602 households in Kampong Speu have had to sell land to repay MFI debt. The rate of land sales in the Kampong Speu research is consistent with the 6.2% of households that reported selling land to repay an MFI debt in the 2022 INEF-BMZ Study, which surveyed 1,388 households across six Cambodian provinces.²⁷

Economic, social & cultural rights

16. At least three accepted recommendations from the third UPR cycle related to advancing economic, social and cultural rights have not been fully implemented because the government continues to ignore the widespread, negative human rights impacts in Cambodia’s microfinance sector. Harms such as involuntary migration, driven by overwhelming debt and unethical lending practices, impede implementation of the accepted recommendation to “ensure the social and economic rights of citizens...”²⁸
17. A 2019 survey in a village in Banteay Meanchey province, along the border with Thailand, revealed that microfinance debt was the primary cause of migration for most surveyed households.²⁹ All surveyed households reported having at least one family member who had

migrated to Thailand.³⁰ The findings were consistent with prior research by the International Organization of Migration, the UN, and others that has identified debt as a driver of migration and possible contributing factor to human trafficking.³¹ In some cases MFIs directly encouraged migration by withholding loans unless a family could prove they had at least one member working abroad.³²

18. Community members in 11 out of 14 communities interviewed in eight provinces between 2020 and 2021 identified migration as a negative consequence of microloan debt.³³
19. Debt-driven migration can expose borrowers to further human rights violations. Unsafe migration, through informal channels and/or without proper identification or travel documents, has been documented.³⁴ Children who migrate internally or across borders, either alone or with their parents, are even more vulnerable.³⁵ LICADHO and Equitable Cambodia have received reports of children as young as 13-years-old migrating alone, sometimes to Thailand, for work to help repay microloans.³⁶ In other cases, young children are left behind when parents migrate alone due to the pressure of debt.³⁷

Right to an adequate standard of living

20. The cycle of over-indebtedness in Cambodia is infringing on Cambodians' right to an adequate standard of living. The government's inaction prevents effective implementation of at least seven accepted recommendations from the third UPR cycle aimed at reducing poverty, including the recommendation to "[c]ontinue efforts to combat poverty by applying measures that would make the country's evident economic development benefit all strata of society."³⁸
21. The Committee on Economic, Social and Cultural Rights recently expressed concern that over-indebtedness was adversely impacting low-income families' right to an adequate standard of living.³⁹ The Committee recommended that the government "adopt adequate measures to protect borrowers, to support them in overcoming their indebtedness and to avoid the loss of access to land that is used as collateral" and to "[e]stablish and enforce client protection laws...with the aim of protecting borrowers from aggressive lending and collection practices."⁴⁰
22. In 2022, Equitable Cambodia and LICADHO commissioned a representative survey of 717 indebted households across all districts in Kampong Speu province, the third-largest province in terms of outstanding loan amounts (behind Phnom Penh and Siem Reap province). More than two-thirds of respondents "agreed" or "strongly agreed" that their households had too much debt.⁴¹ The majority of borrowers (61.4%) reported that their microloan had either not affected or reduced their household income.⁴² Almost 16% of households reported that microloans had decreased their income.
23. More than a quarter (27.3%) of respondents in the Kampong Speu survey were paying more than 70% of their income on debt repayments each month, which violates an industry standard for ethical lending.⁴³ About 10% of respondents were spending more than they earned each month on debt repayments.⁴⁴
24. The situation is even more dire for borrowers who have been or were formerly identified as IDPoor—the Cambodian government's tool for identification of poor individuals and households and those at-risk for poverty. In the 2022 Kampong Speu survey, almost 18% of surveyed households were currently or formerly identified as IDPoor.⁴⁵ Yet IDPoor households made up 25% of households that sold land in order to make a loan repayment.⁴⁶ Debt burdens account for a greater percentage of IDPoor households' income, and pressure to sell income-generating assets such as farmland or vehicles impedes efforts to eradicate poverty.

25. Further evidence of the spiraling nature of over-indebtedness in Cambodia and unethical lending practices is the fact that the majority of loans are not issued for income-generating purposes. The most common reason for taking out any type of loan reported by garment factory workers in two provinces in 2020 was to repay existing debt.⁴⁷ This was also the second most common reason to take out a microloan by those surveyed, closely following “build a house”.⁴⁸ “Repayment of other debt” and “healthcare” were the most commonly cited reasons for borrowing in 13 out of 14 communities surveyed across eight provinces in 2020 and 2021 interviews.⁴⁹ In the 2022 survey in Kampong Speu, “borrowing to repay other loans” was the third most common reason reported for taking out a new loan.⁵⁰
26. The trend of “borrowing to repay other loans” or “debt juggling” has been extensively studied⁵¹ and has reportedly increased over the last decade. In the Kampong Speu surveyed community, for example, interviewees reported that taking out a new loan to repay existing debt accounted for approximately 3.45% of borrowing in 2012, which increased to an estimated 34.8% in 2022.⁵²
27. In June 2023, STT visited six resettlement sites (five in Phnom Penh, Toul Sangke and Prek Pnov, and one in Kandal province) and interviewed 32 individuals who were evicted from Phnom Penh. Only two of the six resettlement sites had access to basic amenities like water, electricity, roads, waste collection, and sewage and all sites lacked housing. As a result, nearly 90% of persons interviewed at the sites (28 out of 32 respondents) had accrued debt in order to build new houses, connect utilities, pay school fees, and cover other costs. The majority of borrowers took out loans from MFIs, banks, or both. All the borrowers (28 persons) used the newly issued soft titles of their resettlement plots as collateral, and none were informed that their land could be sold by court order in the event of default.
28. In addition, due to their debt burdens, respondents reported attempts to cut back on expenses. Seven respondents withdrew their children from school because of the forced eviction and resettlement, debt, or both. Twenty-seven respondents reported spending less money on food.

Right to health and Right to food

29. The government has failed to effectively implement at least seven accepted recommendations from the third UPR cycle related to the right to health and the right to food, including the recommendation to address the special vulnerabilities, views and needs of certain groups such as women, children, and local and marginalized communities when implementing its national strategic plan on health.⁵³
30. Healthcare was one of the most prevalent reasons for taking out a microloan, reported in 13 out of 14 communities surveyed across eight Cambodian provinces in 2020–2021.⁵⁴ In the Kampong Speu survey in 2022, 12% of borrowers reported taking out a loan to pay for healthcare.⁵⁵ These statistics indicate that the government continues to fail to provide adequate access to free services to promote and protect the right to health.
31. Eating less and poorer quality food is a frequent response that Cambodian borrowers use to cope with their debt burdens. In the 2022 survey of 717 households in Kampong Speu province, 18.3% of borrowers reported eating less food following their loan and 8.5% said that their family did not have enough food to eat.⁵⁶
32. In the focus group and individual interviews within 14 communities in 2020–2021, every community reported that they ate less food in order to repay their microloan debts.⁵⁷ Between March and May 2019, 26 out of 28 households interviewed across 4 provinces reported eating less or lower quality food in order to make loan repayments.⁵⁸

33. Food insecurity is a well-established driver of child undernutrition, which was previously estimated to be the underlying cause of over 60 percent of Cambodia’s child mortality cases.⁵⁹ Measures of child undernutrition, including stunting, wasting, underweight, and micronutrient deficiencies, are high in Cambodia despite years of economic growth.⁶⁰ Eating less and poorer quality food also results in undernutrition in women which negatively impacts the woman’s own health and productivity as well as the nutrition and development of future children.⁶¹

Right to education

34. The government’s inaction with respect to Cambodians’ debt burdens has prevented implementation of at least seven accepted recommendations from the third UPR cycle related to the right to education, including the recommendation to, “[k]eep up efforts to ensure the right to inclusive, free and mandatory primary education for all.”⁶²
35. In 2020–2021, interviewees in nine out of 14 communities in eight provinces across Cambodia, reported taking out a microloan to pay for children’s education.⁶³ While education should be free and universally accessible, the reality is that associated costs such as transportation, uniforms, shoes, books, supplies, and unofficial fees required by teachers⁶⁴ create a financial burden that weighs heaviest on the poorest families. Some families take out loans to cover education costs for their children or remove their children from school in an effort to cut expenses and make existing loan repayments. In the same research, 10 out of 14 communities reported that some members had taken their children out of school due to pressure to repay microloans.⁶⁵
36. The incidence of children leaving school overlaps with child labour. Impermissible child labour is defined in reference to both Cambodian law and international law.⁶⁶ The correlation between insurmountable MFI debt and child labour, specifically hazardous work, is well-documented in Cambodia and has been noted by the International Labour Organization⁶⁷ and foreign governments in their business advisories regarding high-risk investments.⁶⁸
37. LICADHO and STT documented the association between microloan debt and child labour in their first MFI report in 2019, which noted that burdensome debt often drove families to remove their children from school to work.⁶⁹ Interviewed families from four provinces reported that most of the children employed to service debt were between 13 and 17 years old, although there were cases of children as young as seven-years-old working on farms to support debt repayment.⁷⁰ A 2022 survey of 717 households in Kampong Speu noted cases where children as young as 10-years-old were taken out of school and/or put to work to repay microloans.⁷¹ MFI debt has also driven children to perform hazardous work, such as spraying pesticides on banana plantations.⁷²

Advancement of women

38. The government’s failure to address the over-indebtedness crisis in Cambodia is harming the advancement of women and prevents effective implementation of the accepted recommendation from the third UPR cycle to “[c]ontinue ongoing mechanisms for gender parity and women’s empowerment.”⁷³
39. More than two-thirds of microloan borrowers are women and women are typically responsible for household finance in Cambodia.⁷⁴ While investors tout microfinance as a tool to improve gender inclusivity in small business in Cambodia, the reality on the ground is quite different. There is no established legal definition of a microloan in Cambodia.⁷⁵ In effect, this means that there is no effective ring-fencing of funds to specifically target “small and medium enterprises”

(SMEs): loans end up being disbursed to households often for non-income generating purposes, such as to make repairs to a home, pay for healthcare expenses, or to repay existing debt.⁷⁶ Rather than helping women to achieve financial independence and start small businesses, microfinance/SME loans are worsening the financial situation for a significant portion of Cambodian women.⁷⁷

40. In the March and May 2020 survey of garment factory workers in Phnom Penh and Kampong Chhnang, 158 out of 162 workers were women.⁷⁸ The mostly women borrowers reported being in a “much worse” situation after their loan and resorting to unacceptable practices in order to make repayments, including eating less food, selling land (15% had already sold land and another 30% expected to need to sell land in the near future), migrating (15%), and taking out additional loans.⁷⁹

Indigenous Peoples

41. Predatory lending and abusive collection practices uniquely disadvantage Indigenous Peoples, whose identity, culture, livelihood, and spirituality are rooted in their traditional lands. Rampant unethical lending and collection practices continue to thwart any government efforts to implement the accepted recommendation from the third UPR cycle to “fulfil the economic and social rights of the people, particularly through sustained economic growth and social inclusion”.⁸⁰
42. Indigenous communities are suffering under heavy private debt burdens⁸¹, with widespread documentation of indigenous communities losing culturally significant land due to predatory microloans.⁸² Even communities who possess legal recognition of collective land titles have faced the loss of community land, as microlenders have accepted improperly issued individual land titles that overlap with protected or traditional indigenous communal land.⁸³
43. In many instances, credit officers do not explain contracts or terms to indigenous borrowers, many of whom are not fluent in written or spoken Khmer.⁸⁴ Credit officers may later implicitly rely on that ignorance and lack of informed consent to misrepresent court proceedings for indigenous borrowers who have missed payments and to pressure those borrowers to sell indigenous land to make loan repayment.⁸⁵
44. Fear and lack of information about the formal court process for loan default is foreseeable and is implicitly exploited by abusive credit officers. The UN Special Rapporteur on the rights of Indigenous Peoples has broadly acknowledged the “implementation gap” that prevents Indigenous Peoples from challenging infringements on their rights: “even in jurisdictions with advanced legal frameworks, deep-rooted structural discrimination and vested interests can render ineffective the legal protections afforded to indigenous peoples.”⁸⁶ The implementation gap in Cambodia further enables microfinance providers to exploit systemic disadvantages faced by indigenous communities through misrepresentation and pressured land sales.

Right to an effective remedy

45. The right to effective remedy has been denied to potentially hundreds of thousands of Cambodians who have suffered human rights violations due to predatory lending and coercive collection practices. The Cambodian government has not acknowledged the seriousness of the situation nor taken meaningful measures towards accountability and remedy, in contradiction to the accepted recommendation from the third UPR cycle to, “[e]nsure accountability for human rights violations through independent investigations and the prosecution of perpetrators”.⁸⁷

46. The government’s primary response to years of overwhelming, credible reports of predatory lending and abusive collection practices have been trainings for MFIs on responsible business conduct, revisions to a voluntary code of conduct, and financial literacy education for borrowers. The Special Rapporteur on adequate housing has criticized the general tactic in response to indebtedness crises of blaming borrowers, who suffer the harms, for taking on too much debt without addressing the need for systemic reform, and the tendency to prioritize support for financial institutions rather than responding to the needs of those whose right to adequate housing is at stake.⁸⁸
47. Information is lacking regarding internal complaint mechanisms with MFIs and the National Bank of Cambodia, and they are rarely used.⁸⁹ Borrowers are frequently afraid to raise complaints due to well-founded fears of reprisals. Local NGOs have noted incidents of attempts by several MFIs and an industry group to identify borrowers who spoke on condition of anonymity about their problems with the microfinance sector. In one case, anonymous informants of microfinance abuses were identified by an industry group and publicly named and “shamed”.
48. Meaningful regulation—including consumer protection regulation—is lacking, with Cambodia ranking 53 out of 55 countries in the “consumer protection” category of the Economist Intelligence Unit’s 2020 Microscope report.⁹⁰ Yet even if there was additional regulation, Cambodia has a problematic record of regulatory enforcement. In a 2022 Rule of Law index, Cambodia was ranked second-to-last in the world, and the worst in the East Asia & Pacific region, for regulatory enforcement in consideration of factors such as whether “government regulations are applied and enforced without improper influence.”⁹¹
49. **Recommendations to the government:**
- Immediately and transparently begin developing alternate sources of capital, such as community-run banks, savings groups, and cooperatives that do not require land titles as collateral. Ensure local communities and indigenous communities are equal partners in the design and implementation of such initiatives. Solicit and incorporate feedback from civil society organisations and international stakeholders. Ensure proper operationalization by December 2026.
 - Permit, cooperate with, and do not impede or obstruct independent investigations and/or remediation efforts into the scale of human rights abuses caused by microloans in Cambodia.
 - Pass comprehensive legislation by June 2025 to protect whistleblowers, witnesses, and borrowers who share information or file complaints regarding human rights abuses associated with predatory lending and abusive collection practices. Ensure reprisals for reporting are promptly, thoroughly, and fairly investigated and punished.
 - Permit, cooperate with, and do not impede or obstruct the creation and operation of an independent body to receive borrower complaints and determine remedy for borrowers harmed by predatory lending and coercive collection practices. Permit the involvement of civil society and international stakeholders in the design and implementation of such a body. Permit, cooperate with, and do not impede or obstruct regular and transparent reporting from that body regarding complaints and adjudication.
 - Provide and facilitate debt relief and proper compensation for borrowers who suffered human rights abuses as the result of predatory microloans.
 - Provide debt relief for all private debt incurred—both formal and informal—in order to pay for housing and basic services at inadequate resettlement sites.
 - Ensure that MFIs in Cambodia cease coercing land sales outside of the judicial system, end predatory lending practices, and take substantive steps toward reducing the number of land

sales required to repay debts. Thoroughly and fairly investigate and enforce existing laws in order to:

- Stop coerced land sales;
- Prevent predatory lending practices; and
- Halt the use of fees that lead to effective interest rates higher than the legal maximum of 18 percent.
- Amend the Cambodian Civil Code for clarity and enforce the amended law to ensure that all land titles physically held as collateral for microloans are returned to borrowers.
- Change MFI internal rules to prohibit requiring land titles as collateral for all new microfinance loans.

¹ “Debt Threats: A Quantitative Study of Microloan Borrowers in Cambodia’s Kampong Speu Province”, EC & LICADHO, p. 1, August 2023, available at: <https://www.mficambodia.com/reports/Report-DebtThreats-2023-en.pdf> [Debt Threats]

² “‘Micro’ Finance in Cambodia: Development, Challenges and Recommendations”, Institute for Development and Peace (INEF), p. 71–72, 2022, available at: <https://www.licadho-cambodia.org/reports/files/INEFReport-MicrofinanceInCambodia2022.pdf> [INEF-BMZ Study]

³ *Ibid.* at p. 82

⁴ “Report on Cambodia”, Microfinance Index of Market Outreach and Saturation (MIMOSA), March 2020, available at: <https://mimosaindex.org/>

⁵ Calculation based on unpublished CMA NIX data; *see also* INEF-BMZ Study, p. 64 (noting that loan sizes of \$2,172 are “about half of the national average of all ‘micro’ loans”)

⁶ “Right to Relief: Indebted Land Communities Speak Out”, EC & LICADHO, p. 2, June 2021, available at: <https://www.mficambodia.com/reports/Report-RightToRelief-2021-en.pdf> [Right to Relief]; “Report of Cambodia Socio-Economic Survey 2021”, National Institute of Statistics, Table 3 p. 114–16, December 2022, available at: https://www.nis.gov.kh/nis/CSES/Final%20Report%20of%20Cambodia%20Socio-Economic%20Survey%202021_EN.pdf (income composition and disposable income, median values per month)

⁷ *See, e.g.*, <https://www.mficambodia.com/>

⁸ “Clarification over Aggressive Loan Collections in Ratanakiri Province”, Joint Statement, Association of Banks in Cambodia & Cambodia Microfinance Association, 9 August 2023, available at: <https://www.facebook.com/CambodiaMicrofinanceAssociation/posts/pfbid02bNroqc1zDK4CAe4W2jhM8JWFbaDCApHykGoNvNCEizrpydxqYrBBhVsqn2QPtdtI>

⁹ Gavin Finch & David Kocieniewski, “Big money backs tiny loans that lead to debt, despair and even suicide”, Bloomberg, 3 May 2022, available at: www.bloomberg.com/graphics/2022-microfinance-banks-profit-off-developing-world/

¹⁰ “Collateral Damage: Land Loss and Abuses in Cambodia’s Microfinance Sector”, LICADHO & STT, p. 7, August 2019, available at: <https://www.mficambodia.com/reports/Report-CollateralDamage-2019-en.pdf> [Collateral Damage]

¹¹ “Report of the Working Group on the Universal Periodic Review: Cambodia”, Human Rights Council A/HRC/41/17/Add.1-Para. 2 (Recommendation 110.61, Iran), 18 April 2019, available at: <https://www.ohchr.org/en/hr-bodies/upr/kh-index> [Third Cycle Report of the UPR Working Group]

¹² Third Cycle Report of the UPR Working Group, Add.1-Para.2 (Recommendation 110.64, Vietnam)

¹³ “Microfinance and Household Welfare: Cambodia Policy Note”, World Bank Group, p. 6, January 2019, available at: <https://documents1.worldbank.org/curated/en/144661552916327946/pdf/128266-REVISED-WP-PUBLIC-Nota-MFI-web.pdf>

¹⁴ Right to Relief, p. 10

¹⁵ The Cambodian government’s official designation of households in or at risk of poverty.

¹⁶ INEF-BMZ Study, p. 11

¹⁷ “Report of the Special Rapporteur on adequate housing as a component of the right to an adequate standard of living, and on the right to non-discrimination in this context”, delivered to the UN Human Rights Council, para. 5, U.N. Doc. No. A/HRC/34/51, 18 January 2017, available at: <https://undocs.org/Home/Mobile?FinalSymbol=A%2FHRC%2F34%2F51&Language=E&DeviceType=Desktop&LangRequested=False> [2017 Report of the Special Rapporteur on adequate housing]

¹⁸ *Ibid.* at para. 6, 9

¹⁹ “Role and achievements of the Office of the United Nations High Commissioner for Human Rights in assisting the Government and people of Cambodia in the promotion and protection of human rights”, Report of the Secretary-General delivered to the Human Rights Council, A/HRC/48/49, para. 40, 16 September 2021,

available at:

<https://undocs.org/Home/Mobile?FinalSymbol=A%2FHRC%2F48%2F49&Language=E&DeviceType=Desktop&LangRequested=False>

²⁰ INEF-BMZ Study, p. 82–83

²¹ Collateral Damage, p. 6

²² INEF-BMZ Study, p. 55

²³ *Ibid.* at 55, 82–83

²⁴ Collateral Damage, p. 6

²⁵ Right to Relief, p. 4

²⁶ Debt Threats, p. 18

²⁷ INEF-BMZ Study, p. 26–27, 73

²⁸ Third Cycle Report of the UPR Working Group, Add.1-Para. 2 (Recommendation 110.141, Russian Federation); see Recommendations 110.144, 110.57

²⁹ “Driven Out: One Village’s Experience with MFIs and Cross-Border Migration”, LICADHO, p. 1, 5, May 2020, available at: <https://www.mficambodia.com/reports/Report-DrivenOut-2020-en.pdf> [Driven Out]

³⁰ *Ibid.* at p. 5

³¹ *Ibid.* at p. 3

³² *Ibid.* at p. 1, 6

³³ Right to Relief, p. 2, 5

³⁴ See Driven Out, p. 1, 3, 5, 7; Right to Relief, p. 20, 27

³⁵ See Driven Out, p. 5; Right to Relief, p. 21, 27

³⁶ See, e.g., Right to Relief, p. 27

³⁷ See, e.g., Driven Out, p. 5

³⁸ Third Cycle Report of the UPR Working Group, Add.1-Para. 2 (Recommendation 110.60, Serbia); see Recommendations 110.58–59, 110.62–63, 110.65, 110.67

³⁹ “Concluding observations on the second periodic report of Cambodia”, Committee on Economic, Social and Cultural Rights, E/C.12/KHM/CO/2, para. 38, 17 March 2023, available at:

https://tbinternet.ohchr.org/_layouts/15/treatybodyexternal/Download.aspx?symbolno=E%2FC.12%2FKHM%2FCO%2F2&Lang=en

⁴⁰ *Ibid.* at para. 39(b)–(c)

⁴¹ Debt Threats, p. 3, 14

⁴² *Ibid.* at p. 14

⁴³ *Ibid.* at p. 3, 13

⁴⁴ *Ibid.*

⁴⁵ *Ibid.* at p. 8

⁴⁶ *Ibid.* at 19

⁴⁷ Cambodian Alliance of Trade Unions (CATU), Center for Alliance of Labor and Human Rights (CENTRAL), LICADHO, “Worked to Debt: Overindebtedness in Cambodia’s Garment Sector”, p. 5, June 2020, available at: <https://www.mficambodia.com/reports/Report-WorkedToDebt-2020-en.pdf> [Worked to Debt]

⁴⁸ *Ibid.*

⁴⁹ Right to Relief, p. 4

⁵⁰ Debt Threats, p. 10–11

⁵¹ See, e.g., W. Nathan Green, Theavy Chhom et al., “The Underside of Microfinance: Performance Indicators and Informal Debt in Cambodia”, 13 June 2023, available at:

<https://onlinelibrary.wiley.com/doi/10.1111/dech.12778>

⁵² Debt Threats, p. 10

⁵³ Third Cycle Report of the UPR Working Group, Add.1-Para.2 (Recommendation 110.68, Fiji); see Recommendations 110.140, 110.142–143, 110.147, 110.154–155

⁵⁴ Right to Relief, p. 4

⁵⁵ Debt Threats, p. 10

⁵⁶ *Ibid.* at p. 24

⁵⁷ Right to Relief, p. 5

⁵⁸ Collateral Damage, p. 1

⁵⁹ “Cambodia Economic Update: Recent Economic Developments and Outlook, Selected Issue: Early Childhood Health and Nutrition”, World Bank, p. 39, May 2019 (citing to data from 2010), available at:

<https://documents1.worldbank.org/curated/en/843251556908260855/pdf/Cambodia-Economic-Update-Recent-Economic-Developments-and-Outlook.pdf> [World Bank 2019 Economic Update]

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- ⁶⁰ *Ibid.* at p. 3–6, 37
- ⁶¹ *Ibid.* at 3–6, 37–39
- ⁶² Third Cycle Report of the UPR Working Group, Add.1-Para.2 (Recommendation 110.168, Tunisia); see Recommendations 110.162, 165–166, 110.169–170, 110.187
- ⁶³ Right to Relief, p. 4
- ⁶⁴ “Multiple Facets of Parenting in Cambodia: A Case of Siem Reap, Heinrich Böll Stiftung Cambodia, p. 23–24, March 2019, available at: https://kh.boell.org/sites/default/files/hbs_final_draft_the-multiple-facets-of-parenting-in-cambodia_einzelseiten.pdf
- ⁶⁵ *Ibid.*, p. 5
- ⁶⁶ Labour Law (1997); Prakas 467 on the Procedure for Recruitment of Young Workers/Employees at Enterprises/Establishments, Ministry of Labour and Vocational Training (2015); Prakas 002–08 on the Category of Occupation and Light Work Permitted for Children Aged 12–15, Ministry of Labor (2008); Prakas 106 on the Prohibition of Hazardous Child Labour, Ministry of Social Affairs, Veterans and Youth Rehabilitation (2004); UN Convention on the Rights of the Child; UN Convention on the Protection of the Rights of all Migrant Workers and Members of their Families; ILO Conventions 29, 105, 138, 182
- ⁶⁷ “Good Practices for Tackling Child Labour in Cambodia”, ILO Int’l Programme on the Elimination of Child Labour (IPEC), p. 22, 2014, available at: https://www.ilo.org/ipec/Informationresources/WCMS_IPEC_PUB_27255/lang--en/index.htm (noting that “child labour is especially high in landless, migrant families who have had to sell their land to...pay off debts”)
- ⁶⁸ “Cambodia Business Advisory on High-Risk Investments and Interactions”, Press Release, U.S. Department of State, 10 Nov. 2021, available at: <https://www.state.gov/cambodia-business-advisory-on-high-risk-investments-and-interactions/> (noting reports that high microloan debt “has contributed to an increase in child labor and bonded labor”)
- ⁶⁹ Collateral Damage, p. 9
- ⁷⁰ *Ibid.*
- ⁷¹ Debt Threats, p. 21–22
- ⁷² Chan Muihong, Sun Narin, et al., “Workers, including underage children, brave dangerous chemicals to make a living at Cambodia’s banana plantations,” *CamboJA News*, 26 November 2021, available at: <https://cambojanews.com/workers-including-underage-children-brave-dangerous-chemicals-to-make-a-living-at-cambodias-banana-plantations/>; see ILO Convention No. 182 on the Worst Forms of Child Labour art. 5(3) (1999) (listing commercial agricultural work among the worst forms of child labour)
- ⁷³ Third Cycle Report of the UPR Working Group, Add.1-Para.2 (Recommendation 110.173, India)
- ⁷⁴ Collateral Damage, p. 4
- ⁷⁵ See *ibid.* at p. 1 n.3
- ⁷⁶ Worked to Debt, p. 1, 5
- ⁷⁷ *Ibid.* at p. 7
- ⁷⁸ *Ibid.* at 1
- ⁷⁹ *Ibid.* at 6–7
- ⁸⁰ Third Cycle Report of the UPR Working Group, Add.1-Para.2 (Recommendation 110.61, Islamic Republic of Iran); see Recommendation 110.64 (Vietnam)
- ⁸¹ “Assessment of the Credit Opportunities for Indigenous Communities in Cambodia Holding a Collective Land Title”, OHCHR, p. 13, 2018
- ⁸² Complaint – Cambodia: Financial Intermediaries-04, 4 February 2023, available at <https://www.cao-ombudsman.org/cases/cambodia-financial-intermediaries-04> (Compliance Advisor Ombudsman) [CAO Complaint]
- ⁸³ Jack Brook, “Land loss and debt: the bottom line for misleading microloans”, *Southeast Asia Globe*, 4 May 2022, available at: <https://southeastasiaglobe.com/land-loss-and-debt-the-bottom-line-for-misleading-microloans/>
- ⁸⁴ CAO Complaint
- ⁸⁵ Right to Relief, p. 30–31
- ⁸⁶ Report of the Special Rapporteur on the rights of indigenous peoples, to the UN Human Rights Council, para. 20–21 U.N. Doc A/HRC/33/42, 11 August 2016, available at: <https://undocs.org/Home/Mobile?FinalSymbol=A%2FHRC%2F33%2F42&Language=E&DeviceType=Desktop&LangRequested=False>
- ⁸⁷ Third Cycle Report of the UPR Working Group, Add.1-Para.2 (Recommendation 110.133, Ukraine)
- ⁸⁸ 2017 Report of the Special Rapporteur on adequate housing, para. 22, 58, 67

⁸⁹ See Kang Sothear, “NBC receives 306 financial complaints last year”, Khmer Times, 25 January 2023,

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