

## **Joint Statement**

### **Suspend Loan Repayments, Interest Accrual to Help Cambodian Borrowers**

April 06, 2021 — We, the undersigned groups, are calling on the government to direct all microfinance institutions (MFIs) and banks in the country to suspend all loan repayments and interest accrual for at least three months in order to give borrowers the opportunity to stay home and stay safe during the current COVID-19 outbreak without needing to fear losing their land or homes if they cannot repay their debt.

The garment, tourism, entertainment and construction sectors have been hit especially hard by the pandemic. These sectors employ hundreds of thousands of women, and women also hold 75% of microfinance loans, meaning in many cases this pandemic has hit women borrowers especially hard. Farmers, migrant workers, poor communities, informal workers, traders, small business people and street vendors have also seen incomes plummet. Very few people have been spared the economic effects of COVID-19. The government has already taken measures to ease some of the suffering caused by more than a year of economic turmoil. The cash transfers to many IDPoor individuals and the subsidy of garment worker wages have provided an important source of income for hundreds of thousands of people who needed help. Without these essential policies, the economic fallout of the global pandemic would have been much worse.

But the government did not take similarly swift action to offer relief to microfinance borrowers. The government's request last year for MFIs and banks to implement relief for only certain sectors, without clear guidelines for which borrower qualifies or what type of relief to offer, effectively allowed the financial sector to set its own rules for restructuring loans. This means that in nearly all cases we have witnessed, banks and MFIs are suspending principal payments but continue to collect interest payments, and to calculate interest on these loans. This has resulted in record profits for some microloan providers as household incomes continue to fall as a result of the COVID-19 pandemic, and larger debt burdens for borrowers after their restructuring ends. This is not real relief.

With Cambodia now facing widespread community transmission and deaths due to COVID-19, widely implemented relief is needed. Incomplete restructuring for about 10% of microloans, as reported by the sector, is nowhere near enough to deal with the scale of this crisis. We renew our call, first made almost one year ago, for a suspension on all repayments, both principal and interest as well as interest accrual, for at least three months.

The ongoing outbreak has lasted more than a month now and continues to wreak havoc on many people's livelihoods. Reports of debt-driven suicides are becoming more and more common. Similarly, reports of domestic violence - including murder - are also occurring within the context of mounting debt and financial stress. This stress has been accompanied by increasingly urgent calls from a variety of people and groups for debt relief and action from the government. Six youths were recently arrested and detained overnight after circulating a petition calling for a suspension of bank and MFI repayments, as well as other economic relief measures. With so many people afraid of losing their land or house due to repaying late, a case-by-case restructuring programme is simply not enough.

The pressure of microfinance and bank microloans, and the ways that pressure hurts both public health and land tenure security, have become open secrets. The minister of information recently posted and later deleted a message on Facebook that if you want to decrease the spread of COVID, the first thing that needs to happen is that banks need to suspend repayments. More recently, the spokesman for the General Department of Prisons urged people not to be jealous of prisoners, who don't have to fear MFIs and banks seizing their homes. This comment both ignores the immense threats faced by prisoners during this crisis and reveals how commonplace it has become for borrowers to lose their land due to debt.

We are asking the government to help millions of people by ordering the profitable financial sector to help carry some of the economic burden. Borrowers are losing their land, foregoing medical care, and risking their health and safety during the pandemic to repay these debts. A three-month suspension, with the possibility of further extension, will help borrowers' stay home, stay safe, and improve the overall situation in the country.

**Signed,**

1. 197 Land Community (Koh Kong)
2. Am Leang Community (Kampong Speu)
3. Affiliated Network for Social Accountability (ANSA)
4. Andong Trabek Land Community (Svay Rieng)
5. Alliance for Conflict Transformation (ACT)
6. Activities for Environment Community (AEC)
7. Areng Indigenous Community (Koh Kong)
8. Asean Tourism Employee Union of Raffles Le Royal Hotel (AEURLH)
9. Boeung Pram Community (Battambang)
10. Building Community Voices (BCV)
11. Building and Wood Workers Trade Union Federation of Cambodia (BWTUC)
12. Buddhism for Peace Organization (BPO)
13. Bos Snor Community (Tbong Khmum)
14. Cambodian Alliance of Trade Unions (CATU)
15. Cambodian Labor Confederation (CLC)
16. Cambodian Food and Service Workers' Federation (CFSWF)
17. Cambodian Human Rights Action Coalition (CHRAC)
18. Cambodian Human Rights and Development Association (ADHOC)
19. Cambodian Center for Human Rights (CCHR)
20. Cambodia Development People Life Association (CDPLA)
21. Cambodia's Independent Civil Servants Association (CICA)
22. Cambodian Independent Teachers' Association (CITA)
23. Cambodia Informal Economy Reinforcements Association (CIERA)
24. Cambodian Informal Economy Workers Association (CIWA)
25. Cambodian League for the Promotion and Defense of Human Rights (LICADHO)
26. Cambodian Tourism and Service Workers Federation (CTSWF)
27. Cambodian Tourism Workers Union Federation (CTWUF)
28. Cambodian Youth Network (CYN)
29. CamASEAN Youth's Future (CamASEAN)

30. Cambodia Youth and Monk Network (CYMN)
31. Center for Alliance of Labor and Human Rights (CENTRAL)
32. Chi Kha Kraom Land Community (Koh Kong)
33. Chi Kha Leu Land Community (Koh Kong)
34. Chray Indigenous Community (Ratanakiri)
35. Choam Kravien Community (Tboung Khmum)
36. Coalition of Cambodian Apparel Workers Democratic Union (C. CAWDU)
37. Coalition for Integrity and Social Accountability (CISA)
38. Coalition Free Trade Union of the Women Textile (CFTUWT)
39. Coalition of Cambodian Farmers Community Association (CCFC)
40. Committee for Free and Fair Elections in Cambodia (COMFREL)
41. Community Peace-Building Network (CPN)
42. Community to Protect Nature (Pursat)
43. Dak Por Community (Kampong Speu)
44. Democratic Union of Worker of Angkor Beer Company
45. Equitable Cambodia (EC)
46. Federation of Free Trade Union of Workers of the Kingdom of Cambodia (FFTUWKC)
47. Free Independent Trade Union Federation (FUFU)
48. Farmers Association for Peace and Development (FAPD)
49. Gender and Development Cambodia (GADC)
50. H.C.C Employees Union
51. Independent Democracy of Informal Economy Association (IDEA)
52. Independent Monk Network for Social Justice (IMNSJ)
53. Independent Trade Union Federation (INTUFE)
54. Indigenous Community in Prame Commune (Preah Vihear)
55. Khmer Kampuchea Krom For Human Rights and Development Association (KKKHRDA)
56. Kleang Toek 78 Community (Siemreap)
57. Koh Sralao Fishery Community (Koh Kong)
58. Kouy Indigenous Community (Preah Vihear)
59. Labour Right Supported Union Khmer Employee of Nagaworld (L.R.S.U)
60. Land Community (Pailin)
61. Lor Peang Land Community (Kampong Chhnang)
62. Mean Chey Land Community (Svay Rieng)
63. Mother Nature Cambodia (MNC)
64. National Independent Federation Textile Union of Cambodia (NIFTUC)
65. Ou Ampil Land Community (Banteay Meanchey)
66. Ou Damdaek Community (Kampong Thom)
67. Ou Vor Preng Community (Battambang)
68. Peace Bridges Organization (PBO)
69. People Center for Development and Peace (PDP)
70. Phum Sela Khmer Land Community (Banteay Meanchey)
71. Phum Phsar Kandal Land Community (Banteay Meanchey)
72. Phnom Krom Community (Siemreap)
73. Prek Ksach Land Community (Koh Kong)
74. Prey Lang Community (Kampong Thom)
75. Prey Lang Community Network (PLCN)

76. Prey Peay Fishery Community (Kampot)
77. Prey Chher Pech Changvar Laor Chhert Community (Kampong Chhnang)
78. Rattanak Rokha Forestry Community (Oddar Meanchey )
79. Reaksmei Sameakki Community (Kampong Speu)
80. Rural Cambodia Technological Support Organisation (RCTSO)
81. Sahmakum Teang Tnaut (STT)
82. Samaki Chek Meas Community (Svay Rieng)
83. Samaki Romeas Haek Community (Svay Rieng)
84. Samaki Sangkae Pi Mean Rith (Preah Vihear)
85. Siem Reap Airport H.C.C Company Tourism Employees Union
86. Sofitel Phokeethra Hotel Independent Solidarity Union
87. Sre Ampel Water Fall Tourism Forestry Community (Kampong Chhnang)
88. Sre Prang Community (Tboung Khmum)
89. Steung Khsach Sor Forestry Resource (Kampong Chhnang)
90. Ta Ni Land Community (Siemreap)
91. Ta Noun Land Community (Koh Kong)
92. The Cambodian NGO Committee on CEDAW (NGO-CEDAW)
93. Tonlung Community (Tboung Khmum)
94. Trapeang Chour Community (Kampong Speu)
95. Transparency International Cambodia (TI)
96. Tourism Employees Union of Les Jardin Du Bassac
97. Tourism Employees Union of Cintri (Cambodia)
98. Tourism Employees Union of GSI
99. Union of Food and Service of Cambodia Beverage Company LTD
100. Union Service Workers of CHEVRON COMPANY (CAMBODIA) LIMITED  
SIEMREAP (USWCSR)
101. Union Service Workers of ALASKA Massage Center (USWAMC)
102. Workers' Solidarity Strengthen Independent Union (WSSIU)
103. Youth Resources Development Program (YRDP)