

Khmer Kampuchea Krom Federation
Expert Mechanism on the Rights of Indigenous Peoples
10th Session July 11th, 2017

Item 4: Study and advice on good practices and challenges in business and in access to
financial services by indigenous peoples
Speaker: Intreabud Ricky Tran

Dear Mr. Chair & Distinguish Colleagues,

I am speaking on behalf of the Khmer Krom Federation. Thank you for allowing me this opportunity to speak and to share with you the study on good practices and challenges in business and the Khmer Krom Peoples access to financial services. Decent Work & Economic growth is the 8th Sustainable Development Goal. According to the 8th SDG, "sustainable economic growth will require societies to create the conditions that allow people to have quality jobs that stimulate the economy while not harming the environment." Indigenous peoples like the Khmer Krom are ready and willing to take this challenge to help usher in a level playing field that will help bring economic strength to rural areas uplifting the lives of the indigenous peoples of the Mekong Delta while curbing climate change through sustainable business practices that brings benefit to families, communities and the environment as a whole.

The degradation of traditional indigenous livelihoods and modes of business have been rampant through unsustainable business practices like shrimp farming that has increased the salinization of fresh waters and build up of salts in soils that has disrupted the ecosystem to cause harm to both flora and fauna. These are precisely the reasons why States must take a concerted effort to lower the impact to the environment while building platforms that allow indigenous businesses to thrive and prosper. In the draft study of EMRIP to this agenda item, paragraph 16, "indigenous peoples should therefore have a legitimate stake in climate change-related businesses, funding and financial services." Moreover, Article 39 of the UNDRIP mentions that "indigenous peoples have the right to have access to financial and technical assistance from states."

Vietnam has been recognized as a champion of the SDGs and should follow through to reach the intended targets that have been set forth such as the promotion of "development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small-, and medium-sized enterprises, including through access of financial services." Furthermore, "by 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products."

Indigenous peoples access, especially the Khmer Krom, to financial services are usually underscored by access to credit. "Complicated and time-consuming procedures to obtain loans from the formal sector are considered as a major obstacle for poor people. In many developing countries 'cheap loans' products at subsidized interest rates have been introduced by the formal sector intended to reach the poor. But in practice, these often don't reach the poor. Low-income

entrepreneurs have shown willingness and ability to pay interest rates higher than commercial banks for services that fit their needs. It seems that the poor value access to credit more than the low cost of credit. If people need money, they generally need it urgently. Just because of the easy access, people often tend to find informal moneylenders more convenient and flexible than formal commercial or state institutions, even if they charge much higher interest rates. Therefore, micro finance programs should be easily accessible. The credit should be 'nearby' and easy and quick to get. But not only the access to credit is important for the borrowers. What they really need is a combination between financial and non-financial services. These non-financial services should include information and training (Micro Finance in Vietnam: 3 Case Studies, Ruth Putzeys pg 10-11)."

Therefore I recommend the following:

- 1.) Create a Community Reinvestment Act like that of the United States in which the intended purpose is to "encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income communities (FederalReserve.gov). "The CRA requires federal regulators to assess the record of each bank in helping to fulfill its obligations to the community. This record will then be used in evaluating applications for future approval of bank mergers, charters, acquisitions and branch openings and deposit facilities (http://www.investopedia.com/terms/c/community_reinvestment_act.asp) This will help ensure that financial institutions are held accountable in maintaining compliancy to broadening the scope to reach indigenious and marginalized communities.

- 2.) Require financial institutions to send representatives in the community in which they serve to educate the youth in schools, members of the community in open forums of engagement, and seniors to financial literacy, strategies in money management, savings and credit options for both consumer and business customers while highlighting the need for savings because "savings contribute to the accumulation of capital in the community (Micro Finance in Vietnam: 3 Case Studies, Ruth Putzeys pg 12)."

Thank you