From Vulnerability to Voice

Lessons from Ratanakiri's debt stress frontier on pressure, protection, and the reforms needed for customer empowerment

CERISE+SPTF

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Abbreviations

AC	Attitudes & Confidence
BE	Behaviour & Experience
CE	Customer Empowerment
FCPC	Financial Consumer Protection Centre
FGD	Focus Group Discussions
ICLT	Indigenous Community Land Titles
IDI	In-Depth Interviews
KS	Knowledge & Skills
VDC	Village Debt Counsellors

Acknowledgement

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We are especially grateful to the **community members and research respondents** who shared their experiences throughout the pilot and endline evaluation. Many spoke about highly stressful and sensitive situations. Their openness and trust, often in the face of fear and uncertainty, made this learning possible and ensures the report reflects real borrower journeys, not abstract assumptions.

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Finally, we acknowledge the broader ecosystem actors, including local authorities, community leaders, and sector stakeholders, whose cooperation (and, at times, scrutiny) shaped how the pilot was implemented. The lessons in this report reflect that customer empowerment is not a one-off intervention, but an ongoing process that requires sustained effort across customers, providers, and the wider system.

Executive Summary

Purpose, audience, and what this report does

This report is written for providers, regulators, associations, investors, and ecosystem actors who need practical, field grounded insight into how debt stress plays out for borrowers, and what makes customer protection and customer empowerment work at the point where repayment difficulty begins. Given the length of the full report, this Executive Summary is designed to stand on its own: it explains key terms, summarises the pilot and evaluation approach, distils the major findings across all chapters, and sets out the actionable implications.

Background: why Ratanakiri, and why debt stress is a customer-protection test

Ratanakiri is Cambodia's remote north-eastern frontier, characterised by livelihood volatility, distance to services, and higher concentrations of Indigenous communities where language and literacy barriers can intensify power imbalance in lender interactions. In this setting, debt stress is not only a financial issue; it is tightly linked to land security, livelihoods, and wellbeing. Collateral risk is especially high where land titles (including "soft titles") are central to borrowing decisions and where collective tenure processes for Indigenous land are slow and procedurally demanding. When shocks occur (health events, crop volatility, market changes), repayment pressure can escalate quickly and households may shift to high-risk coping strategies such as informal borrowing and distress sales.

Key concepts: Customer Empowerment and the "CE grid" used in this pilot

In this report, Customer Empowerment (CE) refers to whether customers can exercise agency and obtain fair treatment in real financial-service interactions, especially under stress. The four CE dimensions used here draw on CGAP's work[1] on Customer Empowerment:

- **Choice:** the ability to understand, compare, and select feasible options (e.g., hardship options) rather than defaulting into harmful coping.
- **Respect:** being treated fairly and without intimidation, with clear explanations and accessible communication.
- **Voice:** the ability to ask questions, raise concerns, and seek remedy safely.
- **Control:** the ability to manage decisions and commitments over time, aligned to household cash-flow realities.

To make these dimensions operational for a debt-stress setting, Cerise+SPTF developed a practical "CE grid" that adds three building blocks that are presented as a plain-language **"know / feel / do"** pathway: **Knowledge & Skills (KS), Attitudes & Confidence (AC), and Behaviour & Experience (BE)**. The grid helps distinguish between (i) what customers understand, (ii) whether they feel able to act, and (iii) what they experience when they act, while recognising that outcomes depend heavily on the service environment once the customer engages a provider.

CE Grid: Debt Stress

Dimension/Building Blocks	Choice	Respect	Voice	Control
Knowledge and skills ("know")	Knows what choices are available when struggling to repay debt.	Knows expected FSP behaviour and their own repayment responsibilities.	Aware of and able to use feedback/complaints mechanisms.	Understands how past choices impacted financial health and how future choices will affect it.
Attitudes and confidence ("feel")	Confident in exploring repayment options with the FSP.	Feels able to communicate their financial situation and be heard.	Willing to give feedback or complain to someone they trust.	Feels capable of managing new debt repayment terms.
Behaviours and experience ("do")	Asks for and compares repayment options.	Feels their situation has been respected (heard and understood) by the FSP.	Gives feedback/complaints when relevant and safe to do so.	Negotiates debt repayment/relief terms with the FSP.

1 Customer Empowerment in Finance, CGAP

The pilot: what was tested and why the delivery model matters

The Ratanakiri Customer Empowerment pilot (Jan–Nov 2025) tested a delivery model designed for debt-stress conditions, combining:

- ☐ **Localisation** through Village Debt Counsellors (VDCs) trained by Cerise+SPTF and recruited from the project villages (local trust, language support, translation into day-to-day reality).
- ☐ **Peer exchange** (normalising discussion of debt stress, reducing shame, and reinforcing practice).
- ☐ **Teachable moments** (coached support when decisions become urgent credit-officer visits, arrears, refinancing pressure).
- ☐ **Post-module casework support** through two pathways: Counselling-only (coaching for self-negotiation) and written repayment Proposals (Counselling plus a structured, lender-facing written request).

The pilot reached 331 participants (estimated 219 unique households) across five villages. Casework included documenting loan histories, cash-flow exercises, counselling, and preparation of written proposals for engagement with lenders and, in a small number of cases, referral to formal complaint or independent mediation channels.

Evaluation approach: what evidence the findings draw on

The endline evaluation combines quantitative and qualitative evidence to produce decision-useful learning:

Quantitative endline survey

105 **Customers** across five villages (chapter-specific analytic samples are applied depending on the question).

Qualitative evidence

46 **In-depth interviews (IDIs)**, nine focus group discussions (FGDs), and a VDC reflection discussion, used to explain how empowerment shifts and where it stalls in practice.

Baseline and endline

The endline includes both returning baseline respondents and newly recruited respondents; qualitative data is used to interpret patterns rather than to claim exact prevalence.

Headline results: stronger Voice, uneven Choice and Control, and a persistent Respect gap

Across the endline sample, the overall CE Index (Empowerment results are grouped into four bands for interpretation: **Low (0–24), Moderate (25–49), Emerging (50–74), High (75–100))** averages 64.4/100 (Emerging). Voice is strongest (75.2/100, High), while Choice (59.8), Control (63.8), and Respect (58.2) remain in the Emerging range. Customers may be more ready to act, but outcomes depend heavily on whether lender systems provide reachable channels, workable options, predictable steps, and respectful conduct.

CE Index distribution

High: 35.2%	**Emerging: 43.8%**
Moderate: 19.0%	**Low: 1.9%**

A clear ‘know / feel / do’ gap sits underneath the averages: knowledge and confidence rise to around 70/100, while behaviour/action lags (55/100), pointing to a last mile interface problem (customer requests meeting lender process and discretion).

Two further findings sharpen what this means for practice:

- ☐ **Exposure matters:** completing more modules is associated with higher empowerment overall, especially Voice, Choice, and Control. Respect does not improve in the same way, reinforcing that respectful treatment is largely provider side.
- ☐ **Post module support matters, but differently by pathway:** written repayment proposals most clearly strengthen Choice behaviour/action, while counselling-only aligns with stronger Control and self-negotiation follow through. Respect outcomes remain constrained across both pathways.

What the findings show across the report's core questions

1. **Empowerment outcomes (Chapter 1):** Voice rises most strongly because it is immediately actionable, i.e., customers ask more questions and persist more often. However, the "what next if the first conversation fails?" step remains unclear for many, reflected in lower Voice KS. Choice shows the sharpest stall: many customers know options exist and feel more confident, but far fewer report being able to compare options before deciding. Respect remains the most system-dependent outcome: education and preparation do not reliably change how customers are treated in hardship or collections interactions.

2. **Exposure effects (Chapter 2):** Completing more modules (Full exposure = 3–4 modules) is associated with higher overall empowerment, especially for Voice, Choice, and Control. Full exposure nearly doubles the share of respondents reaching High overall empowerment. Respect does not improve in the same way, reinforcing that respectful treatment is primarily provider-side. Repetition matters most for making pathways concrete, particularly understanding escalation and complaint routes after a branch conversation fails.

3. **Post-module support (Chapter 3):** Both pathways (written proposals and counselling only) add value, but differently. Written repayment proposals most clearly strengthen the Choice action step (BE) by helping customers turn learning into a structured lender-facing request, especially for customers facing the greatest documentation, language, and intimidation barriers. Counselling-only aligns with stronger Control and follow-through, suggesting it is most effective where customers already have enough confidence and procedural familiarity to self-negotiate once coached. Across both pathways, Respect outcomes remain constrained: preparation can help customers "enter" the process, but it does not guarantee a timely, fair, or respectful response.

What this implies for the last mile

The pilot shows that localised delivery can build real agency, especially Voice, and that coached practice helps move customers from fear to engagement. But it also shows the limit of education only approaches: **empowerment stalls where lender processes are unclear, responses are slow or absent, respectful treatment is inconsistent, and escalation pathways are not practically usable.**

What the pilot adds is a practical lesson about the "last mile": for many borrowers, independent, hands-on support matters as much as information. Empowerment is not a one-off gain; under debt stress it is an ongoing journey where people may take a step forward and then retreat, especially when lender processes are unfamiliar, language and power gaps are pronounced, or responses are delayed. In this context, accompaniment, whether through VDCs or another independent mechanism in the future, helps borrowers turn intent into action: preparing and organising documents, practising what to say, making the first call or visit, and following up safely until a clear decision is received. This kind of neutral 'navigation' support can prevent early efforts from stalling and make formal channels and escalation pathways usable in practice, not just on paper.

Priority actions for providers and regulators

- ☐ **Access and entry:** a reachable channel that leads to a decision maker (avoid repeat trips and repeated explanations).
- ☐ **Option clarity:** a simple, comparable hardship options menu (options, eligibility, documents, trade-offs).
- ☐ **Minimum response pathway:** every request triggers acknowledgement, a timeline, and a traceable decision (including reasons).
- ☐ **Independent navigation and accompaniment:** enable trusted third-party support (e.g., VDC style counsellors) to help borrowers prepare requests and follow through to a decision or safe escalation, especially where language, literacy, fear, or distance create barriers.
- ☐ **Respect standard:** enforce conduct expectations in hardship and collections (no coercion; clear explanations; language accessibility).
- ☐ **Safe escalation for "no response" cases:** a usable, non-punitive pathway when branch level engagement fails that is especially important in remote, Indigenous language context.

Delivery lessons: what made the model work and what it cannot solve alone

The delivery model worked because it combined localisation (trust and translation), peer exchange (confidence and normalisation), and teachable moments (timing learning when decisions are live). Participants consistently described VDCs as mentally supportive and practically useful; visual facilitation and storytelling were often more effective than text-heavy materials. The model's limit is also clear: sustained outcomes require provider and supervisory alignment. Education can raise readiness, but it cannot on its own ensure respectful conduct, timely responses, or usable escalation pathways.

A balanced reading: shared responsibilities without shifting blame

This report is not an argument that responsibility rests solely with providers and regulators, nor that borrowers bear it alone. A balanced reading holds two truths: weak enforcement and incentive structures can normalise practices that undermine customer agency; and borrowers also make choices (often under incomplete information, social pressure, and shocks) that can contribute to repayment difficulty. Empowerment therefore includes both rights and responsibilities: clearer decision-making, the ability to refuse unaffordable credit, and the ability to seek remedy safely. At the same time, responsibility is meaningful only when the market environment does not actively erode it through pressure tactics, information asymmetry, and inaccessible processes.

Transferability and limits: how to interpret these findings beyond Ratanakiri

The pilot is grounded in one province and five villages. It is not designed to measure national prevalence of practices or to provide nationally representative statistics.

The findings are best read as signals about mechanisms: how power imbalance, documentation barriers, distance, and process frictions shape what happens when customers try to act under debt stress. Several of these mechanisms are plausible beyond Ratanakiri, especially where similar incentive structures and operational norms exist.

At the same time, local context can change intensity and expression; remoteness, language barriers, livelihood volatility, and local portfolio stress can all shape outcomes. Readers can use the report to identify pressure points to monitor and to test whether hardship handling and escalation pathways are working predictably and safely in their own contexts.

Bottom line

Customers can become clearer and braver. The binding constraint is whether provider and supervisory systems reliably respond with reachable channels, workable options, timely decisions, and respectful treatment, so that Voice leads to resolution, and empowerment becomes protection.

Core endline outcome signals in each CE grid cell (by dimension and building blocks - 'know/ feel / do'):

Dimension/ Building Blocks	Choice	Respect	Voice	Control
Knowledge and skills ("know")	Know options exist and what to ask for; translating them into a clear, comparable menu remains hard.	Clearer expectations of fair conduct (clarity, no intimidation), but knowledge does not ensure positive experience.	People speak up, but many still lack a clear 'what next' map if the branch ignores or refuses a request.	Stronger grasp of how decisions affect financial health; budgeting/cash-flow logic improves when linked to seasonal income.
Attitudes and confidence ("feel")	More confident to explore options, but confidence is fragile when rejection or silence is expected.	Confidence can improve, but is easily undermined by provider harsh tone, scolding, power dynamics, and language barriers.	High confidence: customers feel braver to ask directly and persist, especially after repeated exposure and peer reinforcement.	Confidence trails knowledge: volatility, household dynamics, and fear of lender pressure reduce perceived control.
Behaviours and experience ("do")	Biggest gap: fewer can compare options before deciding; responsiveness and lender responsiveness and process predictability are decisive.	Uneven experience: respectful treatment is not reliably felt; some still report intimidation or unclear explanations.	Strongest behaviour: more questions, meeting requests, and concerns raised; escalation beyond first conversation remains constrained.	Moderate gains: some adopt planning rules, but control remains vulnerable under acute pressure and repeated lender contact.

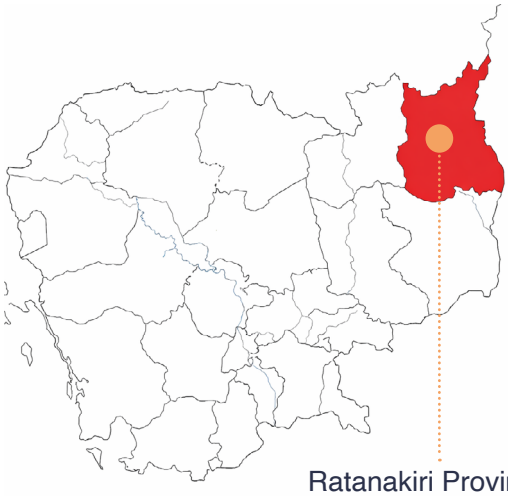
Debt Stress in Ratanakiri: Why Empowerment Matters

Ratanakiri is Cambodia's forested north-eastern frontier, where remoteness, persistent poverty, and ethnic diversity shape how households experience financial services. The province is one of the four north-eastern provinces where most Indigenous peoples live; government briefing notes describe Indigenous communities in these areas as heavily reliant on forest products, with land remaining the foundation of livelihoods, social organisation, and identity, though collective land registration has been slow.[2] UNICEF similarly characterises Ou Chum district (the base of this pilot) in Ratanakiri as facing isolation and persistent poverty, alongside high child malnutrition indicators that signal structural vulnerability that also affect households' capacity to absorb shocks.[3]

Against this backdrop, **debt stress in Ratanakiri is not only a "finance" issue.** It is a land, livelihoods, and wellbeing issue. Cambodia's microfinance sector has expanded rapidly, and multiple independent sources[4] have repeatedly warned that growth has outpaced borrower protection. An academic review of Cambodia's microfinance system notes strong incentives for irresponsible lending when loans are secured by land titles, arguing that credit decisions should be separated from collateral availability and instead be grounded in cash-flow capacity, otherwise over-indebtedness becomes foreseeable.[5] The same study concludes that, despite imperfect data, "at least a quarter" of households with current loans should be assumed to be over-indebted.

In Ratanakiri, where livelihoods depend on agriculture and forest based income and where shocks are common, these dynamics translate into acute repayment pressure, especially when incomes fall or emergencies strike.

These risks are debated, but the core consumer protection concerns are hard to dismiss. For example, M-CRIL's advisory response[6] to LICADHO's Collateral Damage[7] contests aspects of the narrative while still acknowledging the seriousness of concerns and the importance of scrutinising affordability and conduct risks. This shared focus (whether framed by critics or industry) reinforces why empowerment matters in Ratanakiri: when pressure rises, borrowers need the practical ability to ask, negotiate, and seek remedy safely.



Ratanakiri Province

2 Access to Collective Land Titles for Indigenous Communities in Cambodia - 2025 Update, Cambodian Center for Human Rights – CCHR; The Indigenous World 2024: Cambodia, IWGIAI; Disputes and delays slow down Indigenous land registration, Khmer Times

3 Nurturing Care Boosts Indigenous Children's Health, UNICEF

4 These sources are cited in specific location of this chapter. These include Human Rights Watch, Institute for Development and Peace, KTNC Watch, The Guardian.

5 "Micro" Finance in Cambodia: Development, Challenges and Recommendations, Institute for Development and Peace (INEF), University of Duisburg-Essen

6 Microfinance Alert in Cambodia: How significant is individual lending?, M-CRIL

7 Collateral Damage: Land Loss and Abuses in Cambodia's Microfinance Sector, LICADHO

Ratanakiri in brief: land, livelihoods, and financial access

Ratanakiri Province sits in Cambodia's far northeast, bordering Lao PDR and Viet Nam. Relatively remote, the province has the country's largest concentration of Indigenous peoples, with multiple distinct languages and strong village based social organisation. Over the past three decades, in-migration from lowland areas and wider market integration have accelerated economic change but also intensified competition for land and natural resources.

Livelihoods have shifted rapidly within a generation, from primarily subsistence and forest based practices toward greater reliance on cash crops (notably cashew and cassava), alongside exposure to price volatility and climate and health shocks. Large scale concessions and land acquisition pressures have compounded land insecurity for some communities. While Indigenous Community Land Titles (ICLT) provide a legal mechanism to protect ancestral lands, implementation has been slow and procedurally demanding.

This context matters for financial services. The rapid expansion of formal credit in recent years has interacted with livelihood transition and land dynamics in ways that can heighten vulnerability, particularly where loans are secured against land titles and where households face thin margins, variable income, and limited buffers. Since the COVID-19 shock, concerns about over-indebtedness, land sales, and reliance on high cost informal borrowing have become more visible in community narratives. Lower literacy levels and language barriers in some Indigenous communities can further weaken borrowers' ability to assess terms, document their situation, and navigate grievance or resolution processes.

Formal financial institutions[8] have a significant presence in the province through branch networks and frequent credit officer outreach to villages. At the same time, digital channels are increasing (especially for transfers and payments) though connectivity remains uneven across more remote areas.

Debt stress and lender conduct in practice

Debt stress in Ratanakiri is tightly intertwined with land insecurity and Indigenous collective tenure. Human Rights Watch's 2025 report focuses on Ratanakiri and describes how MFIs encourage borrowing based on land value, including acceptance of "soft titles" that can overlap with Indigenous collective land claims, endangering land protection processes.[9]

The report describes repeated visits by credit officers, coercion to sell land outside judicial processes, and a range of harmful coping outcomes, including reduced food consumption, children leaving school, and debt related suicides. Media investigations in 2023 also reported debt related suicides among Indigenous borrowers in Ratanakiri linked to repayment pressure.[10]

This pilot's baseline study[11] in Ou Chum district documented how households attempted to cope once they entered repayment difficulty, and how formal providers often responded. Borrowers frequently tried to renegotiate: about 90% reported attempting renegotiation, but only about 9% succeeded.

This matters because when renegotiation fails, households often shift to last resort coping strategies (informal borrowing, distress sales, and reduced consumption) that deepen vulnerability over time.

8 Including LOLC (Cambodia) Plc., AMK Bank Plc., HATTHA Bank Plc., KB PRASAC Bank Plc, Sathapana Bank, Mohonokor Microfinance Institution Plc., AMRET Plc.

9 Debt Traps: Predatory Microfinance Loans and Exploitation of Cambodia's Indigenous Peoples, Human Rights Watch

10 'I am afraid I will kill myself, like my husband': spotlight on loan firms in Cambodia after Indigenous suicides, The Guardian

11 Navigating Debt Stress: Baseline Study on Customer Empowerment in Ratanakiri Province (April 2025 – Unpublished). This Cerise+SPTF authored report was based on a study that was conducted by Cerise+SPTF to understand the baseline empowerment levels of formal financial services clients in Ratanakiri. The study informed the financial education content and delivery design.

Evidence and data from the baseline study[12] (and corroborating external sources – already cited) suggests that formal financial provider responses to stress commonly take the following forms:

- **Renegotiation is attempted but rarely works in practice:** Around 90% of borrowers reported attempting to renegotiate terms, but only 9% reported success.
- **Refinancing and "borrow more" solutions are common:** Distress was frequently met with refinancing or additional borrowing, reinforcing a pattern of using new credit to service old credit rather than restoring repayment capacity.
- **Debt cycling pushes borrowers toward high cost informal credit:** 44% reported taking high interest informal loans specifically to meet formal repayments.
- **Limited "real" relief options are offered once repayment trouble starts:** Roughly 69% said they were not offered realistic options beyond borrowing more or selling assets.
- **Asset and land sales become a de facto repayment pathway:** About 19% reported selling land to repay formal loans; External investigations similarly describe land loss risks linked to microfinance stress in Indigenous areas, including pressure to sell land outside judicial processes. (Human Rights Watch)
- **Collection pressure can become coercive:** 14% reported experiencing threats, and many reported unexpected penalties/fees (46%).
- **Complaint and remedy channels are not accessible in practice:** 86% of respondents were not aware of any complaint mechanism, and none had used one.

At the system level, international accountability processes reflect the seriousness of these issues.

The World Bank Group's Compliance Advisor Ombudsman (CAO) accepted a 2022 complaint (filed by LICADHO and Equitable Cambodia) alleging predatory and deceptive lending and threatening collection actions by several major lenders, with harms including loss of land and livelihoods and impacts on Indigenous peoples.[13]

These dynamics help explain why CE in Ratanakiri needed to be treated as both a financial capability effort and a protection and voice effort supporting borrowers to understand options, negotiate safely, and seek remedy without escalating harm.

Why Ratanakiri: The case for empowerment under debt pressure

Taken together, the rationale for working in Ratanakiri is clear:

- **High exposure to debt stress** in Indigenous villages (near universal formal debt in some local snapshots; major shares struggling with repayment).
- **A lender response pattern that often deepens distress** including refinancing and debt cycling, low renegotiation success, threats/fees, and asset sale pressure (including land sales).
- **Weak accountability and low effective voice** (very low awareness/use of complaint channels).
- **Exceptionally high stakes of collateral loss for Indigenous communities**, where land is not only an economic asset but also tied to identity and collective rights, and where "soft title" practices can intersect with slow collective titling processes.[14]

Ratanakiri, therefore, is the context in which customer empowerment becomes practical: strengthening borrowers' ability to ask questions, understand costs and rights, negotiate restructuring early, and pursue safe redress can reduce the likelihood that the "default pathway" becomes informal borrowing, distress sales, or cascading social harms.

12 Additional Source: Preying on Poverty: An Investigation into the Lending Practices of Korean Banks in Cambodia and their Human Rights Impact, KTNC Watch

13 Cambodia: Financial Intermediaries-04, Office of the CAO

14 Collective Land Registration of Indigenous Communities in Ratanakiri province, Parliamentary Institute of Cambodia; Access to Collective Land Titles for Indigenous Communities in Cambodia - 2025 Update, Cambodian Center for Human Rights – CCHR

The Ratanakiri Customer Empowerment Pilot: Design and Implementation (Jan–Nov 2025)

This chapter summarises how the Customer Empowerment pilot in Ratanakiri province was grounded in the CE concept, how it was delivered through a phased operating model, and what outreach and casework were achieved during implementation (January to November 2025). It also summarises the status of written repayment proposals supported by the pilot (April to November 2025), as tracked through to end-January 2026.

Grounding the pilot in Customer Empowerment

The pilot's approach moved beyond "financial education" as knowledge transfer. In debt stress settings, households often understand that repayment is due, but still lack safe, workable options and predictable processes to act. CE therefore emphasised whether people could exercise **Choice,** be treated with **Respect**, use their **Voice**, and strengthen **Control** over their decisions and future obligations.[15]

Implementation approach and methodology

The operating model combined community anchoring with structured technical support. Delivery was concentrated in five villages in Ou Chum district in Cambodia's Ratanakiri province, where remoteness, language barriers, and lender power asymmetries can limit people's willingness to ask questions or challenge decisions.

Implementation blended group based learning (to build shared language and confidence) with one-to-one case support (to apply tools at high stakes "teachable moments"). Localisation was central to delivery: VDCs were recruited from the project villages themselves, so facilitation and casework support were anchored in trusted local relationships, local language, and day-to-day realities of debt stress.

Pilot CE outcomes grid (used to design content):

Dimension/Building Blocks	Choice	Respect	Voice	Control
Knowledge and skills ("know")	Knows what choices are available when struggling to repay debt.	Knows expected FSP behaviour and their own repayment responsibilities.	Aware of and able to use feedback/complaints mechanisms.	Understands how past choices impacted financial health and how future choices will affect it.
Attitudes and confidence ("feel")	Confident in exploring repayment options with the FSP.	Feels able to communicate their financial situation and be heard.	Willing to give feedback or complain to someone they trust.	Feels capable of managing new debt repayment terms.
Behaviours and experience ("do")	Asks for and compares repayment options.	Feels their situation has been respected (heard and understood) by the FSP.	Gives feedback/complaints when relevant and safe to do so.	Negotiates debt repayment/relief terms with the FSP.

The grid reinforced two design choices. First, the curriculum prioritised actionable skills and confidence that translate into concrete steps (for example: preparing a clear narrative of one's situation, documenting commitments, and requesting feasible repayment adjustments). Second, it treated "respectful interaction" and process predictability as part of empowerment: households can only act on knowledge when lender facing encounters feel safe and when requests are handled through transparent steps.

15 For more details, see Cerise+SPTF working group on Customer Empowerment

Key delivery features

- ☐ **Localisation through VDCs drawn from the project villages:** community based counsellors were recruited from the same villages to act as trusted intermediaries, support translation where needed, and coach participants through practical steps.
- ☐ **Training-of-trainers and coached practice:** VDCs received structured training and ongoing mentoring to ensure consistent delivery and accurate use of templates and tools.
- ☐ **Teachable moments:** support was concentrated at moments of high consequence, such as when arrears emerged, when a lender visit was expected, or when a household needed to present documentation or negotiate terms.
- ☐ **Peer exchange and learning loops:** regular peer sessions enabled VDCs to compare cases, share tactics, and refine tools; project monitoring captured recurring lender facing barriers to inform adaptation.
- ☐ **Linkages to escalation pathways:** participants were introduced to formal feedback and complaint options and coached on how to document issues if a case required referral beyond branch level.

Phased implementation (Jan 2025–March 2026)

The pilot followed a sequenced set of phases that moved from enabling conditions to delivery and learning:

Phase 1 – Local government understanding and buy-in – January to February 2025: Secured acceptance at provincial, district and commune levels so that activities could proceed without disruption and with appropriate local coordination. In practice, this phase also required navigating intermittent pushback in some local offices, even as most counterparts remained cooperative. While the initial process set the base, subsequent engagements were needed to ensure the project kept moving forward.

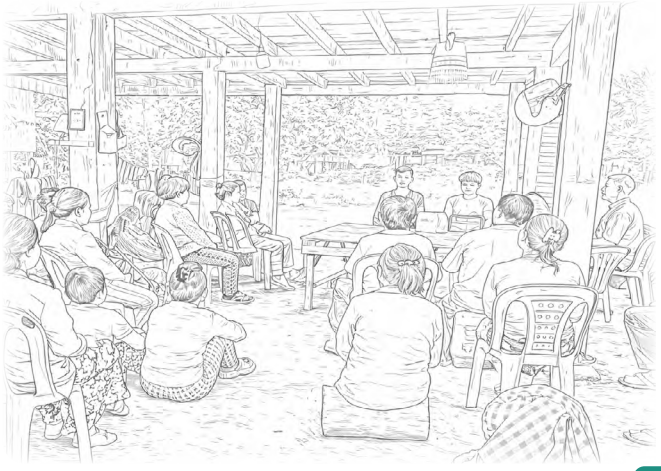
Phase 2 – Selection of VDCs – February 2025: Identified trusted, literate and bilingual (indigenous languages and Khmer) community members with motivation and prior negotiation experience.

Phase 3 – Baseline learning – February to April 2025: Used qualitative learning (including in-depth interviews and key informant discussions) to understand lived experiences of debt stress, points of disempowerment, and the most relevant "pressure points" in borrower–lender interactions. This informed process and content design.

Phase 4 – Content localisation, training and service delivery – February 2025 to January 2026: Localised modules aligned to the CE grid; trained VDCs; delivered group sessions and provided Counselling-only and proposal support using templates and coached practice (Counselling-only support (advice/mentoring on financial situation, ability to repay, and to self-negotiate) versus a written repayment Proposal which was the same Counselling support, plus a concrete repayment proposal prepared with support and used in engagement with the lender). The counselling and proposal support continued till January 2026.

Phase 5 – Endline and synthesis – November 2025 to March 2026: Captured changes in confidence and behaviours and consolidated learning on what enabled (or constrained) customer action.

Across phases, the programme deliberately balanced structured group education with one-to-one case support. This matters in debt stress contexts: many of the most consequential skills (such as, documentation, communication, negotiation, and use of escalation channels) are best learned through practice on a real case, with coached preparation and follow-up. Regular VDC check-ins and peer exchanges were conducted to track case progress, document barriers in lender interactions, and adjust delivery tools in real time across phases 3 to 5.



Outreach and casework

Outreach combined group based sessions, and on-demand counselling and proposal drafting as casework. Across the five villages, the pilot engaged **331 participants in financial education sessions, reaching an estimated 219 unique households (43% of the 509 households).**

Between April and November 2025, the pilot casework included support for interested households to develop written repayment proposals and coached submission where feasible. Tracking through to end-January 2026 shows that proposal outcomes depended heavily on whether lenders would accept, respond to, and process requests through predictable steps: **66 households were supported with counselling (including documenting loan histories)**. Of these, 57 households' cash-flow exercises were completed to assess feasible repayment options and trade-offs. 26 families were further supported to prepare 37 written proposals for submission to formal lenders (at branch office level). Seven written proposals (five families), unresolved at the branch level, were submitted to the newly formed Financial Consumer Centre or FCC (two proposals) and to the Oikocredit Independent Mediation Mechanism pilot (five proposals from three families).

Partnerships, safeguarding and learning

Implementation relied on coordination with local authorities and engagement with sector stakeholders to enable safe delivery and credible escalation when needed. Safeguarding considerations were built into delivery: VDCs were coached to avoid exposing participants to retaliation risk, to prioritise consent and confidentiality, and to document interactions carefully. Continuous learning was embedded through peer exchanges and monitoring, allowing tools and facilitation approaches to be adapted to local language, seasonal livelihoods, and the realities of lender engagement.

Delivery was not always frictionless. While local authorities were mostly cooperative, the team did face intermittent hesitation or pushback in a few settings, and engagement with formal financial service providers in the area was largely not there. In some instances, provider facing interactions slowed progress, for example, messages conveyed to communities that could be interpreted as discouraging cooperation with VDCs,[16] and concerns raised with local officials about the boundaries of their involvement and the possible implications of being seen as "sourcing clients."[17] These dynamics contributed to delays in parts of the implementation period. The team responded by clarifying roles, reinforcing safeguarding and consent, adjusting sequencing, open invitations to local government authorities to attend any VDC training/peer exchanges and community delivery sessions, and leaning more heavily on village based facilitation (this process kept strengthening trust and credibility of the pilot), while continuing to support households through coached preparation, documentation, and appropriate escalation where needed.

In other words: Voice is rising because customers can act on it immediately, but the "next step" still breaks down for many when lenders are unclear, unresponsive, or disrespectful, especially once the first branch conversation fails.

16 For example, potentially blacklisting of the villages that cooperated with the VDCs, and direct refusal to accept proposals and direct refusal to offer restructuring options.

17 For example, legal consequences for local authorities if villagers ask for restructuring or are unable to repay.

Voices from Ratanakiri: The methodology

The Ratanakiri CE end of project research was designed to generate practical, decision useful evidence for actors working on client protection and CE. The evaluation combines a (i) quantitative endline survey to show patterns across customers (for example, who was reached, what changed, and for whom), and (ii) qualitative IDIs and FGDs to understand lived experience, including how customers navigate borrowing, repayment pressure, confidence to speak up, negotiation with providers, and the real world barriers faced by Indigenous communities when seeking to alleviate debt stress.

This endline was designed for practical learning and accountability. The survey combines people re-interviewed from baseline with newly recruited respondents, so patterns should be read with awareness that sample composition can influence comparisons. Finally, IDIs and FGDs were selected to capture diverse experiences, so they are best used to explain why patterns occur (e.g., how confidence, negotiation, language, and power dynamics shape borrowing outcomes) rather than to estimate exact prevalence.

Quantitative methodology

The endline survey includes **105 customers interviewed across five pilot villages in Ou Chum District, Ratanakiri Province**. The design intentionally includes both returning baseline respondents (to understand how experiences shifted over time for the same people) and newly recruited respondents (to ensure endline findings also reflect current community conditions and customer experiences).

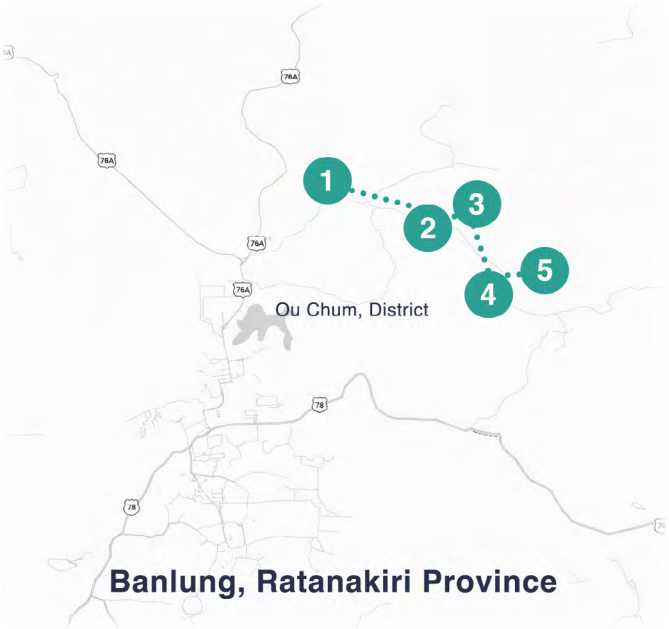
- ☐ **Returning baseline respondents: 39 (37.1%)**
- ☐ **New endline respondents: 66 (62.9%)**

Participants were interviewed across **five villages** recorded in the dataset, and across **three communes** - Samakhi, Pouy, and Laork - in the Ou Chum district of Ratanakiri Province. The sample includes both women and men (65 women and 39 men) and covers a broad adult age range (approximately 17 to 63 years).

In terms of ethnicity, the sample included:

- ☐ **Tompoun: 62 (59%)**
- ☐ **Kreung: 42 (40%)**
- ☐ **Khmer: 1 (1.0%)**

Five villages in three commune of Ou Chum district of Ratanakiri Province



1. **Gres: 20**
2. **Pll: 17**
3. **Raya: 5**
4. **Prak 1: 34**
5. **Prak 2: 29**

Most quantitative questions were asked using 1–5 response options (Likert-type scales). **Responses were converted to 0–100 indices** (1 = 0; 2 = 25; 3 = 50; 4 = 75; 5 = 100 [linear conversion]) so that results are comparable across topics and can be averaged into composite indices. Empowerment results are grouped into four bands for interpretation: **Low (0–24), Moderate (25–49), Emerging (50–74), High (75–100).**

The "KS/AC/BE" lens refers to **Knowledge & Skills, Attitudes & Confidence, and Behaviour** that are presented as a plain language "know / feel / do" pathway.

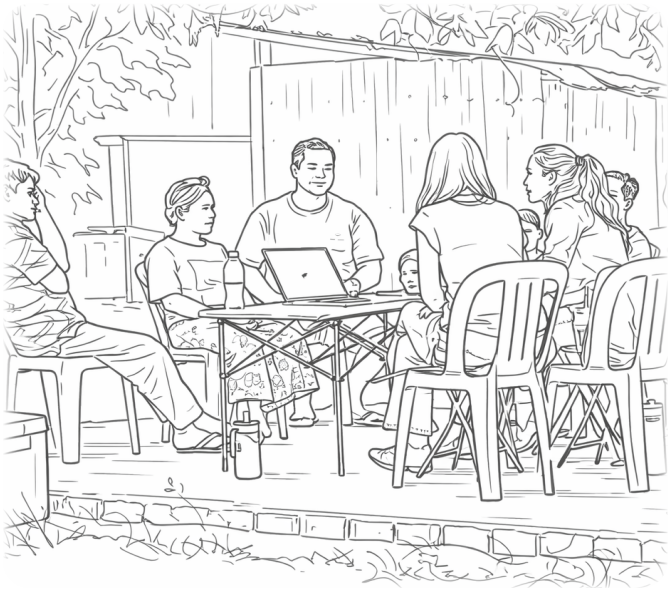
Qualitative methodology

The **qualitative component complements the survey by bringing forward customer voice** in a way that is especially relevant for consumer protection and responsible finance practice, highlighting how people interpret contracts, manage repayment, experience stress, and engage (or avoid engaging) with formal providers.

The **46 IDIs** include both baseline (27) and new (19) respondents and reflect the same core community context found in the survey, primarily Tompoun and Kreung participants, mixed gender, and multiple villages/communes. IDIs are particularly useful here because they capture nuance on trust, confidence, rights awareness, and household level decision making that often shapes borrowing outcomes.

There are **nine customer FGDs** covering 48 customers. These FGDs were conducted across several villages and were organised to include variation in exposure to the financial education content. The FGDs spanned Full Exposure and Partial Exposure groups (5 full exposure groups; 4 partial exposure groups)

The endline also includes **one VDC FGD**, providing an implementation facing view of community change and the enabling environment (useful for understanding how CE interacts with local systems, service access, and provider behaviour).



Approach to the analysis

As each analytical chapter addresses a different question (overall empowerment levels, exposure effects, and post-module support pathways), the **report applies chapter specific filters to the same endline survey dataset.** This ensures that each chapter reports results only for respondents with the required fields completed for that analysis. This means the analytic sample size varies by chapter. The table below lays out the analytical sample.

Chapter	Primary question	Analytical
Chapter 1	Overall empowerment outcomes (Voice, Choice, Respect, Control) and KS/AC/BE pathway	n = 97
Chapter 2	Does completing more modules (Full vs Partial exposure) shift empowerment outcomes?	☐ Full exposure (3–4 modules): n = 47 ☐ Partial exposure (1–2 modules): n = 48 ☐ Total used for exposure analysis: n = 95
Chapter 3	What does post-module support add? (Counselling-only vs written Proposal)	☐ Counselling n=41, ☐ Proposal n=22 ☐ Total used for support sample analysis: n = 63

Why this approach to analysis matters for responsible and inclusive finance

This approach to analysis helps link customer **outcomes to real world financial behaviours and pressures.** The quantitative survey shows how widespread certain experiences are across customers, while IDIs and FGDs clarify what sits behind the numbers, such as confidence to ask questions, ability to negotiate, the role of language and power dynamics, and the lived realities of repayment stress. Together, the endline sample supports practical decisions on consumer protection, responsible product design and delivery, and how providers and regulators can better serve financial services customers. **A short reflection on how to interpret transferability beyond Ratanakiri is provided in the closing chapter.**

A Borrower's Journey: Setting the Scene for the Chapters Ahead

To help readers interpret the evidence that follows, we include a case study that illustrates a "typical" borrower - provider journey under debt stress, especially how restructuring and refinancing play out in practice once repayment difficulty begins. The vignette is not presented as a statistical claim; it is a relational guide to the operating mode and decision points that many respondents describe. As you read the later chapters (on empowerment outcomes, exposure effects, and post-module support) this case helps situate the survey patterns and interview findings in the real world "last mile" where customer action meets lender process, discretion, and response.

Sokha's Search for Breathing Space: When "Help" Means Signing Again

Note: This is an anonymised case study built from recurring patterns observed in Ratanakiri. The provider is fictitious ("Frontier Bank"). The purpose is illustrative: to show typical 'pressure points' at the provider interface.

The borrower

Sokha (fictitious name) is a smallholder household in Ou Chum district with seasonal and volatile income (cashew plus wage labour). He speaks an Indigenous language at home and has limited confidence reading Khmer contracts. The family's land title is their primary asset and the foundation of livelihood security.

Phase 1 - The loan is easy; the risk is invisible

A credit officer from Frontier Bank visits Sokha's village repeatedly. The officer is friendly and reassuring, framing the process as simple: use the land title as collateral, sign the forms, repay monthly. Sokha takes a USD 4,000 loan, expecting seasonal cashew income to cover payments. At onboarding, Sokha does not fully understand how penalties accrue, how arrears escalate, or what restructuring would mean in practice. He assumes that if a harvest is poor, the bank will 'understand' and adjust. He hesitates to ask questions on this as he fears that too many questions may result in his application being rejected.

Phase 2 - The first repayment shock triggers the borrow more solution

After a weak harvest and an unexpected medical expense in the family, Sokha is late on a payment. To avoid missing the instalment and drawing attention from the bank, he takes a small, high cost informal loan as a short-term bridge. He expects a discussion about reducing instalments. Instead, the credit officer proposes a quick fix: refinance so the account becomes 'normal' again. The repayment amount is not based on a systematic cash flow analysis, instead it is established via a negotiation based on 'how much can you pay each month' and 'what the bank will accept'.

Sokha is taken to the village office and asked to thumbprint a new contract in front of the village chief. The new loan amount is higher, but Sokha receives no cash payout. He is told the increase covers unpaid interest, and penalties so he can 'start fresh.' The bank retrieves the old documents.

Sokha leaves without a clear written breakdown of what was capitalised (principal vs. interest vs. penalties vs. fees), and without a copy that would allow him to compare the old and new terms.

Phase 3 - Refinancing repeats until the debt becomes unrecognisable

Over the next years, the same pattern repeats:
Sokha falls slightly behind.

- ☐ The officer proposes 'refinancing' rather than a transparent hardship assessment and restructure discussion.
- ☐ Sokha thumbprints a new contract with a larger principal.
- ☐ He receives little or no additional money in hand.
- ☐ The repayment burden increases, not decreases.

By year seven, Sokha's original USD 4,000 obligation has inflated on paper to around USD 18,000, even though Sokha believes he never received additional disbursements beyond the initial loan. To keep up, the household is asked to sell assets and cut essentials. A small non-collateralised loan is also issued at one point as 'help,' but the proceeds are applied directly to Frontier Bank repayments, leaving the household with new obligations and little relief.

Phase 4 - When Sokha tries to negotiate, the last mile breaks.

By 2025, Sokha is several months in arrears. He has already sold productive land to make payments, but the schedule remains impossible. After participating in customer empowerment sessions and receiving counselling support, Sokha attempts to engage the bank through a clearer plan:

- ☐ request a transparent breakdown (outstanding principal, capitalised interest, penalties, and fees); and
- ☐ use that information to propose a feasible restructure aligned with seasonal income.

Given his prior experiences dealing with the Bank, Sokha is not comfortable calling the helpline number. He is unsure whether the loan officer would find out, how the call might be received, or how it could affect his ability to access loans in the future. He knows he can reach out to the association and the National Bank, but he is not sure what he would say to them or how to start that call.

With support from the VDC, Sokha tries to submit a written request at the branch. The branch refuses to accept the request. Instead, they ask Sokha to first speak to the loan officer. The loan officer says that it is not the place of the client to submit documents and letters, only the bank can issue letters to the clients. He refuses to meet with Sokha and provides no clear acknowledgement, timeline, or traceable decision-maker. Instead, staff revert to pressure: reminders escalate, informal threats of court action are raised, and Sokha is offered another quick 'solution': sign again to slightly reduce the instalment today, bundled with a new refinancing that adds costs and effectively restarting the cycle, with a loan tenure of 20 years.

1. Empowerment Outcomes: Stronger Voice, Uneven Choice, and a Respect Gap

In debt stress contexts, "empowerment" is not just about understanding financial terms; rather, it is about whether customers **can speak up, make informed choices,** be **treated fairly**, and maintain control over financial decisions in their households and interactions with lenders. This chapter provides the endline picture of CE across the four dimensions that are **Choice, Respect, Voice, and Control.** It then looks beneath the averages to understand (i) where progress is strongest, (ii) where empowerment tends to stall between **knowledge, confidence, and action**, and (iii) where risks remain concentrated among a significant minority of customers. The interpretation draws on both the survey results and the lived experiences captured through in-depth interviews, focus groups, and Village Debt Counsellor feedback.

Customer empowerment across the four dimensions

Across the sample, the average overall CE Index is 64.4/100, which is in the pilot's "Emerging" range. **But the endline story is not one single empowerment level; it is a clear pattern across dimensions: Voice is strongest, while Choice, Control, and especially Respect remain harder to secure in practice.**

Voice is the clear strength (**mean 75.2**, in the High band). Customers describe being more willing to speak directly, even when they feel intimidated. One baseline respondent put it plainly: *"Now I am confident enough to ask directly what options are available."* This matches what we see in the data: Voice is not only high overall; **it is also the area where customers most consistently translate learning into action, i.e., asking, clarifying, and staying engaged instead of withdrawing.**

The remaining three dimensions sit in the Emerging band: **Choice (mean 59.8), Control (mean 63.8), and Respect (mean 58.2).** This is an important pattern. People may be more willing to speak up, **but the harder test is what happens next: whether customers can access workable options, keep repayment terms aligned to volatile livelihoods, and be treated fairly and clearly.** These outcomes depend more heavily on lender systems and behaviour, and not just on what the customer knows or intends to do.

These shifts come through strongly in the qualitative data, which helps explain why Voice looks stronger than the other dimensions. In IDIs and FGDs, customers describe feeling supported to advocate for themselves. People often refer to being encouraged to **"speak out and not stay silent,"** which aligns with Voice being the strongest area. In contrast, Respect, Choice, and Control depend much more on what happens in real interactions with providers, such as whether lenders respond clearly, offer workable options, and treat customers fairly (including in local languages and under stressful collection situations). Control, in particular, is shaped not only by lender behaviour but also by day-to-day household realities such as income volatility, literacy, and family decision dynamics. **In other words: Voice is rising because customers can act on it immediately, but the "next step" still breaks down for many when lenders are unclear, unresponsive, or disrespectful, especially once the first branch conversation fails.**

"Threatening, blaming, harassment, and intimidation are wrong. Lenders should respect borrowers and offer feasible solutions."

To see what sits behind these endline patterns, we looked at baseline respondents' lived experience where the clearest shifts are in Voice and practical Choice, while Respect remains the hardest to secure. Across the baseline sample[18], people describe a noticeable shift in **Voice** and **Choice** not because their debt disappeared, but because they feel more able to engage the lender instead of staying quiet. Several baseline respondents describe being more willing to ask questions, request clarity, and hold their ground when something feels unfair:

18 Sample size - 39

"I can now push back calmly and demand transparency." In FGDs, that change is sometimes described even more plainly. Participants said they can now **"talk back"** rather than simply accept pressure. On **Choice,** baseline respondents often describe learning concrete alternatives to distress coping (not just "options in theory"), and some describe actively trying them in practice (asking for restructuring, changing repayment timing, or negotiating terms). One baseline respondent shared a specific outcome: *"I negotiated directly with [the Bank][19] to delete all interest and repay only four million riel per year, which they eventually accepted."* Taken together, baseline narratives suggest Voice is becoming more usable in real interactions, and Choice is becoming more "thinkable", even if outcomes still depend on lender response.

Baseline respondents also describe stronger **Control** in everyday decisions, especially planning household spending and repayments in ways that fit volatile rural income, rather than reacting day-by-day under pressure. One person explained their approach simply: **"Daily income for expenses; harvest income for repayment."** Where baseline respondents sound least "in control," however, is **Respect**, because respectful treatment is still experienced as something lenders can choose to provide (or not), regardless of what the customer knows. Some baseline respondents do report improvement in tone and reduced pressure: *"Credit officers no longer aggressively demand payment when I am late by seven to ten days."* But they also describe respect as more than politeness, including clear explanations and transparent terms. As one baseline respondent put it: *"BFIs should not deduct pre-paid interest without clearly explaining… [and] should read the loan contract properly so that the customer understands."* In short: baseline respondents often sound more capable and strategic on Voice/Choice/Control, while Respect remains the most dependent on provider behaviour and communication.

Where empowerment "stalls" – the "know / feel / do" gap

A clear pattern (across the full endline sample) emerges when we look at the three building blocks: what people **know**, how confident they **feel**, and what they are actually able to **do**. Empowerment gains appear strongest at the level of **knowledge and confidence**, but weaker at the level of behaviour/action, especially where behaviour depends heavily on the service environment and how feasible it is to act under debt stress.

The storyline beneath the numbers: people learn, people gain confidence, and then many still hit a wall when trying to act.

Put simply: people may leave the modules clearer and more confident, but turning that into action still depends on whether the lender conversation (and the process behind it) makes action possible.

Across the four dimensions combined, knowledge and confidence sit around 70/100 (KS 69.7; AC 70.1), while behaviour lags at 55.3/100. This "do gap" is not mainly about motivation; **it reflects the "last mile constraint" where customer readiness rises faster than the surrounding service environment converts requests into decisions.**

This means the main "stall point" is **behaviour or action**, the step where customers try to apply what they learned in real interactions under pressure. That stall looks slightly different depending on the dimension.

Choice shows the clearest "know / feel / do" gap. Many customers say they now know repayment options exist and feel more confident to raise them **(Choice-KS 76.8/100; Choice-AC 76.3/100)** but far fewer (Choice-BE 34.3/100) say they can compare options before deciding. One customer described how these stalls in practice: *"It is unclear whether BFIs will accept my proposals, because they took the documents but did not respond."* The qualitative evidence suggests many people still need an intermediary (often the VDC) to translate 'options' into a clear menu and a next step.

Voice looks strong overall, but the *"what do I do next if the branch doesn't help me?"* part still needs attention. In the survey, Voice is high on confidence and follow through (Voice-AC 82.2/100; Voice-BE 83.8/100), but noticeably lower on knowledge (Voice-KS 55.9/100).

19 Name withheld

What this is picking up is not whether people can speak up, but whether they know the **next step if the lender ignores them, pressures them, or treats them unfairly.**

When 'speaking up' meets a dead end: the missing escalation step

- ☐ The map is missing: *"I have heard that there are many complaint channels, but I still don't know which channel is appropriate."*
- ☐ Formal routes feel hard to access in practice: *"Communication is difficult, especially due to language barriers."*
- ☐ Most trusted route remains local and relational (often via the VDC): *"I complain directly to BFI staff, then the branch manager or head office…"*

Taken together, these constraints help explain why Voice behaviour is strong while Voice knowledge remains lower.

Taken together, these constraints help explain why Voice behaviour is strong while Voice knowledge remains lower[20].

Respect stalls most at the behaviour level, but in a different way. Respect–KS is relatively strong **(71.6/100)** and Respect–AC is emerging **(65.5/100)**, but Respect–BE is much lower **(42.0/100)**. This is less about customer capability and more about what customers encounter, a pattern that fits the qualitative evidence: respectful treatment is not something customers can "practice" into existence if they face intimidation, harsh language, or bias.

Some respondents describe improvements, *"BFIs are polite, smiling, and respectful now"*, but others describe experiences that reduce confidence quickly: *"Lenders should not threaten me, say they will put me in jail, or force me to sell land."* This is why Respect looks weak and uneven: **the customer can do everything 'right' and still be treated badly if staff behaviour and collection practices don't change.**

There are also signs of unequal treatment in who gets respect. One respondent described how the tone changed depending on who showed up:

"Women are often spoken to more harshly because lenders assume we are weaker or less knowledgeable."

"They scolded me and looked down on me as a woman, but behaved respectfully when my father was present."

That kind of experience helps explain why Respect is not only lower on average, but also a dimension where vulnerability clusters among a minority.

Control is strongest on knowledge, but weaker on confidence to act. Control–KS is relatively high **(74.2/100),** but Control–AC is lower **(56.4/100),** with Control–BE in the middle **(61.1/100).** This aligns with real world constraints in debt stress: customers may understand what they should do, but still feel constrained by household pressure, fear of lender behaviour, or practical limits such as literacy and unstable income. Put simply: **people often know what would be financially "wise," but don't feel they can enforce it, especially when repayment pressure is immediate.**

The IDIs reflect this. One respondent explained the income constraint bluntly: *"Knowledge helped, but unstable income makes it difficult."* Another described relying on family support for day-to-day calculations: *"I cannot read or write, my children help me track income and expenses."* This kind of constraint matters for providers because it shapes what "accessible" repayment terms and communication actually mean in practice.

Voice Leads – Control and Choice are Fragile – Respect Lags

The overall CE Index distribution shows progress, but also a meaningful "tail" of continued vulnerability.

CE Index distribution

High: 35.2%	**Emerging: 43.8%**
Moderate: 19.0%	**Low: 1.9%**

So, **about 1 in 5 customers (20.6%)** are still in **Low or Moderate overall.** For stakeholders concerned with consumer protection, this matters: even with positive averages, the results show that not everyone is benefiting equally.

20 Annex 1 provides a deeper dive into these issues: When Speaking Up Isn't the Same as Escalating: What Customers Say About "Official Pathways" After a Lender Conversation Fails

Looking by dimension, the "at risk" share (Low + Moderate) is largest for Respect. The qualitative data helps interpret what these figures likely represent. **Respect is not only about customer confidence, it is strongly shaped by provider behaviour and the service environment.** If customers still face intimidation, harsh interactions, language barriers, or unequal treatment, improvements in confidence and knowledge can be undermined. This is especially relevant in Indigenous communities, where language differences and power imbalances can be more pronounced.

"At risk" share

- **Respect: 36.2% (the clearest concern)**
- **Control: 30.5%**
- **Choice: 29.5%**
- **Voice: 11.5% (strongest and least risky)**

In contrast, **Voice shows the strongest shift** because it is closely tied to the modules' coaching and encouragement, participants repeatedly describe being supported to speak up. Choice and Control sit in between: they improve, but remain constrained when customers do not have real room to compare options, negotiate safely, or act on decisions due to debt pressure and service environment limitations.

There are also clear "pockets" where vulnerability concentrates. For example, **Prak 2 stands out on Respect,** with **46.4%** of respondents still in Low/Moderate Respect. FGDs suggest that even when customers are learning and trying to engage, the quality and safety of lender interactions remains a major fault line there. One explanation[21] for this may be because Prak 2 clients are actually engaging in self-negotiation rather than wanting support on written proposals. Resistance from the BFIs is interpreted as lack of respect. The higher level of perceived disrespect in Prak 2 may actually be a function of their higher level of empowerment, creating a reaction of heightened resistance from the BFIs. It actually requires more empowerment (and courage) to do self-negotiation than it does for VDC facilitated written proposals. By contrast, in the neighbouring village of Prak 1, many clients reported an immediate positive change in the level of respect after they submitted written proposals.

Raya[22] also shows a worrying picture on Control (though with a small sample), which fits the qualitative pattern we see across villages: where processes feel unclear, incomes are unstable, or customers expect rejection, it becomes harder to hold firm on household decisions and repayment terms.

Finally, vulnerability is also linked to customer experience over time. **New participants** (those not in the baseline cohort) show a higher concentration of risk on Control: **32.8%** are still Low/Moderate on Control, compared with 15.4% among baseline respondents. This is consistent with what people describe in interviews: learning helps, but confidence and follow through usually builds through repeated exposure and early wins with lenders.

What it all adds up to

The **endline story is not "customers lack knowledge."** In many areas, customers have learned a lot. The **pressure points are more specific** (and more fixable) because they sit at the intersection of customer effort and lender systems.

Across Chapters 2 and 3 also, a consistent pattern emerges: repeated exposure and post-module support can help customers turn learning into clearer, lender facing requests. But the decisive step remains the handover interface between customer effort and lender systems, including entry into a channel, acknowledgement and follow through, accessibility barriers that determine who needs proposals in the first place, and respectful treatment that does not improve simply because customers are better prepared.

21 Based on key informant feedback

22 Raya had the least penetration of CE content training – due to time constraints (resulting from pushback from some formal providers), they received the compressed course only and participation was low for Modules 3 to 4 where content on control was being delivered

2. More Than Attendance: How Exposure Drives Empowerment (and Where It Doesn't)

The earlier chapter showed that Voice is the strongest dimension overall at endline, while Choice and Control are more fragile and Respect is the biggest gap. This chapter looks at whether **completing more of the CE modules leads to stronger customer empowerment and if yes, what kind of empowerment actually shifts?** Exposure reflects how many modules people received **(Full exposure = 3 to 4 modules; Partial exposure = 1 to 2 modules).** The modules were delivered by VDCs using peer exchange and "teachable moment" learning that are meant to strengthen **what people know (KS), how confident they feel (AC), and what they can do in real life (BE)** across **Choice, Respect, Voice, and Control.** Therefore, in this chapter, the report explores: what changes with higher exposure, what changes first, what remains difficult even with full participation, and what this suggests about delivery and the wider service environment.

Full exposure lifts outcomes, especially Choice, Voice, and Control

Full exposure is associated with much stronger empowerment overall, and the difference is visible not just in averages but in how many people reach the **High** band. Full exposure **nearly doubles** the share of respondents reaching High overall empowerment **(48.9% vs 25.0%),** while Partial exposure has a much larger group still in the Moderate band **(31.2% vs 6.4%).** In practical terms, this suggests that completing more modules helps more customers reach a level of empowerment that is likely to matter in real debt stress decisions.

The pattern is especially clear for **Choice, Voice, and Control, but not for Respect.** In Choice, the share rated High rises from **16.7%** (Partial) to **44.7%** (Full), and the share in Low + Moderate drops sharply **(47.9% => 12.7%).** Voice shows an even bigger shift into High **(52.1% => 80.9%),** and Control also increases strongly **(22.9% => 53.2%**, with Low + Moderate dropping **39.6% => 14.9%).**

Respect is the outlier: High Respect is slightly higher under Partial exposure **(35.4%)** than Full **(29.8%)**, which is a reminder that being treated well is driven less by how much a customer learns and more by **provider behaviour and the quality of interactions at the branch.**

Overall CE

- ☐ **High overall empowerment: Full 48.9% vs Partial 25.0%**
- ☐ **Moderate overall empowerment: Full 6.4% vs Partial 31.2%**

Share in "High" by dimension

- ☐ **Choice: Full 44.7% vs Partial 18.8%**
- ☐ **Voice: Full 80.9% vs Partial 54.2%**
- ☐ **Control: Full 53.2% vs Partial 22.9%**
- ☐ **Respect: Full 29.8% vs Partial 35.4% (outlier)**

What exposure builds first: knowledge and confidence travel faster than action

Building on Chapter 1's "know / feel / do" gap, **Full exposure tends to raise knowledge and confidence more than it raises day-to-day behaviour;** this section shows where repetition converts learning into action, and where progress still depends on lender response.

This is most visible in **Choice**, where Full exposure produces a large jump in Knowledge & Skills **(89.9 vs 63.0)** and a smaller but still clear gain in confidence **(81.4 vs 70.3),** yet behaviour remains much harder **(43.6 vs 26.0).** Voice shows a more complete pathway: Full exposure strengthens knowledge **(62.8 vs 46.6)**, confidence **(84.0 vs 75.5)**, and behaviour **(87.2 vs 82.3)**, suggesting that the peer-led, practice oriented approach is particularly effective in helping customers not only feel able to speak up, but actually do it.

Complaints and escalation: what changes with more modules?

Even when customers feel able to speak up, the hardest part is often knowing what to do after the first conversation fails. Quantitatively, this shows up most clearly in Voice-KS: customers with Full exposure score higher on knowing the next steps, while confidence and speaking-up behaviour are high in both groups.

The qualitative data explains the gap. Partial exposure respondents often describe the pathway as stopping with the VDC: "No. I do not know any complaint or feedback channels", or "I also heard about National Bank, but I do not know their complaint process". Full exposure respondents more often describe a sequence of options, including starting locally, then escalating: "I would first contact the VDC… [and] approach the branch manager… or call the National Bank hotline". This suggests that repetition matters most for making complaint routes concrete and usable, not just "known in theory."

Complaints / escalation indicator	Partial exposure	Full exposure	The shifts
V_KS (Know the complaint/escalation route)	46.6	62.8	+16.2 points (biggest gain)
V_AC (Feel confident to raise / escalate)	77.5	84.0	+6.5 points
V_BE (Actually raise / act / follow through)	82.3	87.2	+4.9 points

Control improves steadily with exposure across all three building blocks, but confidence (AC) still trails knowledge (KS), reflecting that acting on control often depends on household pressures, literacy constraints, and fear of lender responses. Respect again changes only slightly by exposure across KS, AC and BE, reinforcing that respectful treatment is not something customers can achieve through learning alone.

People's stories line up with the pattern in the scores: **more sessions tends to translate into more usable confidence and clearer next steps,** not just "knowing" concepts. Several full exposure respondents describe the shift in plain terms - learning stuck because they kept coming back to the content and practising it: *"I attended the full course, about four times [modules]. I feel confident asking questions and pushing back because of the advice I received."* In group discussions, the same change is described as fear easing over time as people become more familiar with what to say and how to engage: participants reported that after learning about debt they no longer **"shake with fear"** when credit officers visit. By contrast, partial exposure respondents are more likely to describe learning as incomplete or hard to retain: *"I attended only a few sessions. I feel I still lack full understanding, and I need more support to confidently negotiate."* This helps explain why exposure lifts **KS and confidence first:** repetition and reinforcement make people more willing to speak up and try options, **but is still dependent on the "last mile constraint" noted in Chapter 1.**

Where it still gets stuck: the action gap (and the Respect wall)

Even with full exposure, the hardest shift remains **Choice in practice:** customers can be ready to ask, but still face limited access, unclear processes, or non-response. One full exposure respondent described the bottleneck as simply not getting the chance to negotiate at all:

"I have not yet had a chance to sit down and formally negotiate with lenders because BFIs rarely come to meet me. It's also difficult to access them, as they stay in the commune." For partial exposure respondents, the barrier often shows up as uncertainty and rejection, i.e., people try, but the interaction teaches them that follow through is risky or pointless: *"Banks said there was no such policy and criticised my proposals. I still feel nervous and afraid of rejection."* Put together, these experiences explain why behaviour lags behind knowledge: **people may learn the idea of restructuring and negotiation, but they still struggle to reach a responsive, usable pathway to compare options before deciding.**

Respect outcomes do not improve meaningfully with exposure (Respect–BE remains 44.0/100 under Full exposure), consistent with Chapter 1: respectful treatment is largely provider side dependent.

"Communication was easier when they stopped scolding and started using friendly tone"

"If they explain clearly and don't rush me, I feel respected. If they pressure me to sign quickly, I don't."

When behaviour remains low even with Full exposure, it often points to constraints such as:

- ☐ **unclear repayment option procedures,**
- ☐ **slow or inconsistent responses,**
- ☐ **"no policy" messages or shifting requirements,**
- ☐ **technical language and documentation barriers,**
- ☐ **intimidation, harsh tone, or unequal treatment.**

In these settings, education can raise KS and AC, but BE stalls unless the service environment enables customers to act.

What the delivery model seems to be doing well, and what it can't solve alone

The exposure patterns point clearly to where the delivery model adds value. The strongest gains appear in Voice, where peer exchange and practical facilitation matter most.

FGDs describe participants being encouraged to **"speak out and not stay silent,"** and VDCs observed that villagers became **"more confident, less afraid of credit officers, and more willing to negotiate instead of hiding."** Repeated participation seems to build not just knowledge, but agency.

"We used real negotiation experiences and stood our ground when credit officers were rude."

VDC reflections also explain why exposure matters in rural, low literacy settings. Sessions were most effective when visual and practical rather than text heavy. "Drawings and storytelling" worked better than written materials. This reinforces the idea that delivery design, not just content, drives engagement and confidence.

At the same time, the findings highlight clear limits. Some outcomes depend on provider behaviour once customers try to act. As VDCs noted, *"Some banks cooperated positively, while others used threatening or 'scary' language."* This helps explain why exposure effects are strongest where customers control the first move (asking questions, speaking up), but weaker where progress depends on lender responsiveness.

This constraint is most visible in **Respect,** which remains flat across exposure levels, and in the **final "follow through"** steps of Choice, which are the hardest to shift.

While the modules can build confidence and skills, the last mile of empowerment depends on whether branch practices, communication, and collections processes make it safe and realistic for customers to act.

What it all adds up to

Chapter 2 shows a clear pattern: **more exposure helps customers move further up the empowerment ladder,** especially on **Voice, Choice, and Control,** supporting the value of repeated, localised delivery. Interpretation of what still does not shift with exposure follows the Chapter 1 'pressure points' (the last mile is system dependent).

3. When Learning Meets the Lender: What Post Module Support Adds (Proposal vs Counselling)

The financial education modules aim to build customers' knowledge, confidence, and practical skills to manage debt stress, but the real test comes **after** learning, when customers face lenders' procedures, paperwork, and power. This chapter looks at what happens in that "last mile," comparing two pathways after the modules: what changes when customers receive **Counselling-only support** versus **a written repayment Proposal.**[23] It asks whether proposals strengthen **Choice/Control (especially behaviour/action)**, whether they increase confidence and follow through, whether they reduce vulnerability in **Respect** experiences, and, importantly, **who ends up needing proposals** in the first place.

A note on proposals (till January 2026)

- ☐ 37 written proposals were prepared. Of these, nine were ultimately not submitted by clients.
- ☐ 28 proposals were taken to lenders for delivery. In nine cases, branch staff refused to receive the proposal, obstructed receipt, or did not honour agreed delivery arrangements.
- ☐ 19 proposals were formally received in good order. Among these: six received no response (and no further collection activity was reported); five were received but not acted on (collection continued on the original schedule); six entered negotiations but were not yet resolved as of end January 2026; and two resulted in an agreed resolution accepted by the client.
- ☐ Separately, five cases (seven proposals) were referred beyond branch level for resolution via formal complaint pathways (FCPC) and/or independent review (Oikocredit's Independent Mediation Mechanism pilot).

Proposals don't "lift everything", but they do change what people can do on Choice

On the outcomes most tied to comparing options and putting a plan into action, the clearest "added value" of proposals shows up in **Choice behaviour (BE).** Customers who received a written proposal score **higher on Choice-BE (46.6/100)** than those in Counselling-only **(31.7/100)**. That difference is meaningful because Choice-BE is the real life part of empowerment, such as comparing and weighing options, and selecting an option in a lender facing process rather than defaulting to distress decisions.

IDI narratives suggest the "choice problem" is often less about understanding repayment pathways in principle, and more about being able to **present a structured** request in a setting where lenders control the rules. As one Prak 1 respondent put it: *"Banks have more power and understand legal terms better than me."* Others described the proposal as a practical bridge into lender channels, for example: *"With VDC support, I prepared letters and contacted the banks… but they did not respond."* and *"The bank acknowledged my proposal letter and reduced pressure."* In these situations, the proposal functions as a "bridge document" into a system that otherwise feels inaccessible.

At the same time, proposals do **not** raise Choice knowledge above Counselling-only, in fact, average **Choice-KS** is lower in the Proposal group **(70.5 vs 84.8)**. Read together with the stronger Choice-BE result, this suggests proposals are often used by customers who start from a weaker position (lower financial literacy, lower confidence, fewer past experiences negotiating, more intimidation), and the written plan helps them **act** even when their underlying knowledge base is still catching up.[24]

23 Counselling-only: advice/mentoring on financial situation, ability to repay, and to self-negotiate; Proposal: the same Counselling support, plus a concrete repayment proposal prepared with support and used in engagement with the lender

24 A written plan may also be used to file with the NBC or the FCPC to seek recourse or a violation of regulation or the Sector Code of Conduct.

Control is stronger under Counselling-only, suggesting proposals are used when self-control is hardest

If proposals most clearly strengthen Choice action, **Control** tells a different story. Counselling-only respondents score **higher on Control overall (75.1 vs 70.2)**, and especially higher on **Control–BE (73.8 vs 58.0)**. In plain terms: those who can move forward with Counselling (without needing a written proposal) tend to be the ones who are already more able **to follow through**, manage pressure, and keep decisions within household control.

This is where the qualitative data is essential. Counselling-only narratives include examples of customers pushing through multiple rejections and still negotiating successfully. This behaviour reflects persistence, familiarity, and confidence. One Prak 2 respondent described repeated attempts and eventual success: *"I tried negotiating three times… they agreed to restructure it."* Another spoke not only of doing it themselves, but helping others do it: *"I can help other villagers negotiate properly."* These are signs of customers who have built enough confidence and know how, sometimes through earlier exposure, to keep control over the process without needing a written proposal.

Seen alongside the Choice pattern, the Control advantage under Counselling-only suggests **proposals are most used when Control is already under strain,** such as when the customer's ability to self-manage the process (documents, travel, negotiation language, fear of lenders) is weakest, and a written plan becomes necessary just to enter the conversation. Given that written proposals require significant added external support, they should be used only as a later strategy in the case that self-negotiation options are not working. A proposal needs to be well thought through and well formulated especially if the client lacks ability or confidence in follow-up negotiations (A good proposal helps such clients to start from a strong position). Some prior practice in self-negotiation, as a pre-cursor to a written proposal, will usually give the client more confidence and ability in defending their proposal once it is submitted.

Confidence to engage lenders improves in specific ways, but fear and power imbalance remain

If "confidence to engage the lender" is taken as the AC pathway (how ready people feel to approach and persist), proposals show a targeted confidence gain and not a blanket one.

- **On Control–AC,** Proposal recipients score higher **(72.6 vs 64.0),** consistent with the idea that having a written plan increases a person's readiness to take a concrete step.
- **On Respect–AC,** Proposal is also much higher **(78.6 vs 57.9).** This matches what people describe: having a written plan can make them feel more prepared and more "legitimate" when approaching a lender.It also concretely changes the lender's attitude to the client, as there are possibly legal, procedural, and institutional steps that the lender gets locked into by the formal client request.

But the same group shows **lower Voice–AC (79.5 vs 86.0),** which is exactly what the IDIs describe: customers may have a document, but still feel intimidated by responses, delays, or rejection. One proposal recipient captured that tension: *"I still feel nervous and afraid of rejection."* Another described the "follow through problem" even after formal efforts: *"I sent letters… but they did not respond."* In other words, proposals can increase readiness to try, but they cannot eliminate the psychological and procedural barriers customers meet once inside lender channels. **This is a key reminder for stakeholders: a proposal can help people take the first step, but it cannot guarantee a response, speed, or fairness; proposals do not solve the biggest external barrier: what lenders do (or don't do) next.**

Respect is still mostly about lender behaviour, not the support pathway

If proposals were going to "protect" customers from disrespectful treatment, we would expect to see clear movement in Respect behaviour. We do not. **Respect–BE is low and similar** across both groups **(43.9 Counselling vs 40.5 proposal).** Even when proposals increase customers' sense of readiness (higher Respect–AC), that does not reliably translate into respectful treatment in practice.

Qualitative data aligns with this: customers' vulnerability often comes from how lenders respond, not whether the customer is prepared. FGDs repeatedly return to the same barrier: unclear processes, dismissive responses, and silence. In some cases, lenders ask excessive or misleading questions, knowing that the documents were not written by the customers themselves. Education and proposal support can help customers show up better prepared, but respectful treatment is still largely shaped by the service environment.

Who needs proposals, and what that reveals about accessibility

> *"After completing the course, I filed complaints and sent letters requesting meetings with Provider 1 and Provider 2 [names withheld]. I also asked banks to delete interest and allow principal only repayment, but they did not respond and stayed silent."*

The most important finding for "who gets proposals vs self-negotiates" is not a score, it's the **village pattern.** Proposals are **highly concentrated in Prak 1,** while Counselling-only dominates in **Prak 2, Gres,** and much of **PII.** This distribution maps closely onto the contextual differences the sampling chapter flagged: land title security and previous financial education exposure shape whether people can navigate lender processes without a written intermediary.

The village background helps explain why **Prak 1** drives most proposal demand. Prak 1 has **little prior exposure to debt rights support or Indigenous Community Land Title (ICLT), alongside high distress and severe livelihood pressure,** including land insecurity and migration dynamics. In that context, "writing a proposal" is not just paperwork, rather it is a way of making a customer's request legible to a lender when literacy, Khmer fluency, and comfort with formal terms are limited. As one proposal recipient explained: *"It is easier with third-party support because I do not understand legal terms well."* Another put it even more simply: *"Having a third party makes negotiation much easier."* These statements capture what proposal support is doing in practice: translating a customer's situation into a format lenders recognise, and reducing the intimidation barrier that often blocks follow through.

By contrast, **Prak 2,** where Counselling dominates, has a different enabling environment. The village background describes prior exposure to external financial education programmes and stronger internal organisation (including a local focal point), and customers in this setting often sound more able to attempt negotiation themselves with coaching rather than full documentation support. This aligns with the idea that Counselling works best where customers have enough confidence, language access, and procedural familiarity to carry the request forward once they understand their options. One Counselling participant captured this shift toward independence: *"I can negotiate independently now."*

PII sits somewhere in between: it shows both Counselling and a small number of proposals, which fits the village background description of a community with prior exposure and mixed experiences, including cases where people still require a formal intermediary to engage lenders, particularly when there are multiple loans, unclear terms, or fear of being rejected. Importantly, proposal support does not guarantee a response. Several customers describe submitting letters or requests and receiving silence, reinforcing that access barriers are not only on the customer side. One proposal recipient said: *"I sent letters… about loan restructuring, but they did not respond."* This helps explain why proposals can improve specific action steps (like initiating a formal request), while broader empowerment outcomes still depend on provider responsiveness.

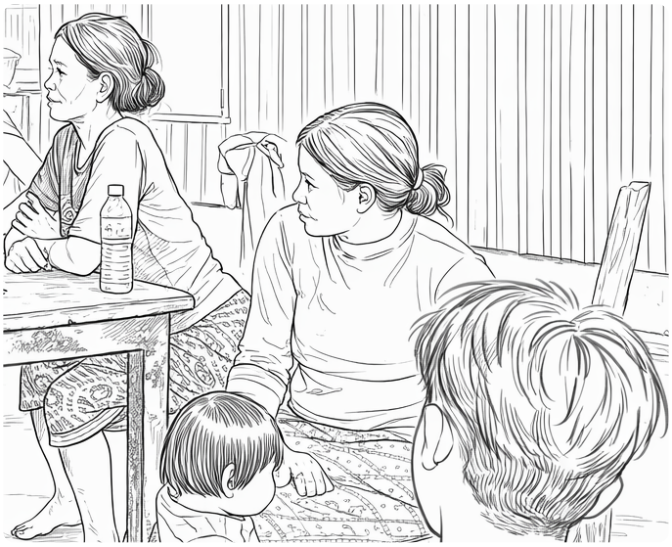
Taken together, the distribution of proposals reveals a practical lesson about accessibility and **who gets left behind:** proposals are most needed where distress is highest and where customers face the greatest friction with formal systems, i.e., language, documents, unclear procedures, and fear. Counselling may be sufficient where customers can already navigate basic interactions and need confidence and coaching more than formal representation. In other words, **proposals are not a "higher level" of support, but they are an access tool used where the system is hardest to reach.**

What post-module support adds, and what it can't fix alone

Post-module support matters, but it matters in **different ways**:[25]

- **Written proposals** most clearly strengthen the **Choice action step**, which is helping customers convert learning into a concrete lender facing request **(Choice-BE 46.6 vs 31.7).** They appear to be most critical in villages and households where the negotiation system is hardest to access without help.
- **Counselling-only** aligns with stronger Control and Voice outcomes, likely because it is the pathway used by customers who can already self-negotiate and persist **(Control-BE 73.8 vs 58.0; Voice score 76.6 vs 70.7).**
- **Respect remains** similar across both pathways, reinforcing that respectful treatment is primarily shaped by **provider conduct and process quality,** not just customer preparation.

Taken together, the data suggests a practical implication for delivery: proposals should be viewed as a **targeted accessibility tool** (for customers least able to navigate lenders), while Counselling-only supports a **self-negotiation pathway** where capacity already exists. But neither pathway can fully close the gap on Respect and response behaviour without lender side improvements, such as clear processes, timely replies, and safer engagement norms



What it all adds up to

Chapter 3 shows a practical divergence: written proposals most clearly strengthen the **Choice action step,** i.e., helping customers turn learning into a concrete, lender facing request, while **Counselling-only** aligns with stronger **Control/Voice,** likely because it is used by customers who already have enough confidence and procedural familiarity to self-negotiate once coached. The "pressure points" are therefore not inside the classroom. They sit at the handover interface between customer effort and lender systems: entry into a channel, acknowledgement and follow through, accessibility barriers that determine who needs proposals in the first place, and respectful treatment that does not improve simply because customers are better prepared.

25 Comparing proposal cohort with counselling only

4. Making Empowerment Real: Provider and Regulator Actions at the Last Mile

Chapters 1 to 3 converge on a single, recurring finding: **the pilot strengthens readiness,** or what people know, how confident they feel, and their ability to articulate needs and attempt negotiation, but **the point at which empowerment most often "stalls" is the interface between the customer's action and the provider's response.** In other words, education and post-module support can move customers further up the empowerment ladder (especially on Voice, Choice, and Control), yet the last mile is still governed by whether lender systems offer reachable channels, usable options, predictable timelines, and respectful treatment when households are already under stress.

This chapter consolidates the provider and regulatory actions that flow from that pattern, merging the "pressure points" (Chapter 1), the post-education "last mile gap" actions (Chapter 2), and the "proposal-to-response" reforms (Chapter 3) into a single composite package; the goal is to reduce repetition while strengthening the report's operational message: **education can increase the demand for fair process, but only provider and regulator systems can supply the process that converts readiness into outcomes.**

The last mile constraint: why empowerment stalls where process is weak

The core bottleneck is not whether borrowers want to engage, but whether lender systems convert borrower engagement into decisions. Across the findings, customers increasingly know what to ask for and how to frame it (sometimes even producing written proposals) yet many still encounter the same practical barrier: they cannot reliably reach the right channel, do not receive a clear menu of workable options, or do not get a timely response that lets them plan.

In practice, the **"last mile" breaks down into five recurring friction points** that are primarily provider side: (i) access to a reachable channel and a decision maker; (ii) a clear, comparable menu of feasible options; (iii) minimum response pathway; (iv) respectful treatment during hardship discussions and collections interactions; and (v) a usable escalation route when there is no response. These are process design choices and supervisory expectations. Fixing them does not require customers to become "more empowered" than they already are becoming, but it requires the service environment to reliably recognise, process, and respond to customer action.

The consolidated reform package: the "pressure points" where the system must meet customers

The package below is organised around what customers need at each step of the interaction. **It is deliberately practical: each recommendation is framed as a process feature that providers and regulators can implement, supervise, and measure.** It also integrates the chapter specific nuance that emerges after education: as customers become more capable of making requests, the system must provide a clearer "landing pad" for those requests otherwise empowerment raises readiness without raising resolution.

1. Access and entry: make it possible to reach the lender in a way that leads to a decision

The first pressure point is simple but decisive: customers must be able to reach the lender in a way that leads to a decision, not repeated travel and repeated explanations. Several findings underline that physical distance, staff availability, and unclear responsibility for hardship requests can prevent customers from even entering a meaningful conversation. This is especially acute in remote villages where lender presence is infrequent and the practical cost of "trying again" is high. For providers, the immediate fix is to create a clear entry point for hardship discussions that customers can actually use. That means designating a named role or contact (or a small number of roles) responsible for receiving hardship related requests, and making the contact details and availability visible in branches and through field staff.

Where travel is a binding constraint, providers can introduce scheduled call back windows or periodic "service days" aligned with local realities, so that customers do not need multiple trips merely to be heard.

For supervisors, access should be treated as a basic consumer protection condition of fair treatment under debt stress. The standard is not "a customer can theoretically visit a branch"; it is that customers can practically reach a channel that can acknowledge and route a request.
A key operational test is whether field staff can refer customers into a formal pathway (rather than only collecting), and whether customers know how to initiate that pathway without needing informal intermediaries.

2. Option clarity: turn "negotiation" into a usable menu with comparable choice

A second pressure point is the gap between "negotiation" as a concept and negotiation as an operational menu of feasible options. Chapters 1–2 show that repeated exposure builds knowledge and confidence, and often helps customers articulate needs more clearly; however, if options remain opaque, inconsistent, or framed in ways customers cannot compare, then "Choice" remains constrained even when readiness improves, because customers cannot make an informed decision or assess what is realistically available.

For providers, the priority is to standardise and simplify the "options menu" for customers under stress. Customers should be able to see, in basic terms, what options exist (e.g., rescheduling, temporary interest only, partial repayment plans, fee review), what each option changes, how long it lasts, and what the trade-offs are. Importantly, lenders should state the minimum eligibility conditions and the documents required for each option so customers do not waste time preparing proposals that are rejected on procedural grounds.

For regulators and supervisors, option clarity is a fair treatment issue because opaque or inconsistent options can function like a hidden barrier to relief. Supervisory expectations can be expressed as minimum disclosure of restructuring pathways (not product marketing): what options exist, what decision points exist, and what information customers need to provide. This is also where education and provider reform are complementary: education increases the likelihood customers will ask; option clarity determines whether asking produces an informed decision.

3. Minimum response pathway: every request should trigger a traceable answer

The most actionable "bridge" between the report's findings is the gap between proposal and response. Chapter 3 shows that written proposals can make hardship requests easier for banks to understand and assess, but clarity alone does not guarantee a decision. Some customers report letters being taken without follow-up, being told there is "no such policy", or being left in delay and silence that makes planning impossible. A large number of proposals were not accepted at all with clients reportedly being turned away at the branch door. The reform target here is therefore not "more proposals"; it is a minimum response pathway that ensures every request triggers a predictable workflow.

For providers, the minimum response pathway should operate like a service standard. First, acknowledgement: every hardship request (written or verbal) should receive a receipt, reference number, or confirmed record, with a clear next step (who reviews, by when, how the customer will be contacted). Second, timelines: providers should set and follow a response time standard, distinguishing between acknowledgement and decision. Third, decision points: the customer should receive an outcome and the reason in simple terms (whether the request is approved, partially approved, or rejected) and what the customer can do next.

This pathway is also where process usability matters most. If more information is required, providers should specify exactly what is missing rather than sending customers into repeated "come back later" loops. The goal is not to approve every request; it is to ensure every request receives a timely, traceable response so that customers can make informed decisions and avoid escalation driven by uncertainty.

For supervisors, "response quality" is measurable and should be treated as a core consumer protection indicator. Providers can be required to report the number of

hardship requests received, average response times, the distribution of outcomes, and the share of cases closed without contact. This is not about second guessing credit decisions; it is about ensuring that the system answers customers when they act.

4. Respect and conduct: treat respect as an operating standard, not a soft norm[26]

Respect emerges across chapters as the dimension least responsive to education and support pathways because it is primarily provider behaviour. This is an important nuance: education can help customers ask and persist, but it does not automatically change how staff treat borrowers under stress. If respectful treatment remains inconsistent, education risks increasing "voice" without increasing safety, and can raise frustration when customers do what they were taught but meet humiliation, coercion, or dismissal.

For providers, Respect needs to be operationalised as a non-negotiable standard within both branch interactions and collections practices. That starts with defining clear behavioural boundaries: no humiliation, threats, coercion, or third-party intimidation; clear limits on how and when contact occurs; and a requirement to explain options and outcomes in understandable terms. It then requires training that is specific to hardship conversations (listening, documenting, explaining options) rather than generic "customer service" modules.

Supervision is the critical mechanism. Providers should introduce simple monitoring loops (including spot checks, call backs, complaint audits) focused specifically on disrespectful treatment and on whether staff are following the minimum response pathway. For regulators, conduct supervision should sit alongside portfolio metrics so that the system does not optimise only for repayment performance. The practical benchmark is whether a distressed customer can seek relief without fear of retaliation or humiliation.

5. Safe escalation: make "speaking up" usable and non-punitive, especially for "no response" cases

Where responses are delayed or interactions are disrespectful, escalation becomes the final safety valve. But the report's findings also show that escalation is often not practically usable: customers may not know how to escalate, may not believe escalation will help, or may fear that complaining will worsen treatment. In these conditions, "voice" exists in theory but not in practice.

For providers, escalation needs to be designed as a simple, two step route that customers can use without interpretation. Customers should know who to contact, what information to provide, and what will happen next. Critically, escalation should also cover "no response" and "no follow-up" cases, not only overt misconduct. One of the most common failure modes in hardship handling is silence; escalation should provide a safe path for customers to prompt a response without being forced into repeated travel or informal leverage.

For supervisors, non-retaliation should be treated as a clear expectation, and retaliation should be recognised as a serious compliance breach. In monitoring, "no response" complaints should be tracked as a service quality indicator distinct from loan performance. This is a concrete way to align empowerment goals with system accountability: customers can speak up, but the system must make speaking up safe and effective.

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26 Section N (iii) of the Banking and Financial Institutions Code of Conduct states: The Banking and Financial Institutions "promotes and enforces fair and respectful treatment of Consumers". Respect is already a part of the code of conduct, and this must be therefore monitored, supervised, and enforced. The following section can support the development of what can be monitored and supervised.

Who needs to do what: aligning responsibilities across the ecosystem

The actions above are summarised here as a responsibility map across the ecosystem.

Providers (banks and MFIs)

- ☐ Make hardship handling a defined service process: clear entry point, acknowledgement of requests, response timelines, and documented outcomes (including reasons for decisions).
- ☐ Publish and use a plain language relief options menu (with eligibility and required documents) so customers can compare choices before deciding.
- ☐ Operationalise respectful conduct in collections and branch interactions (no coercion or humiliation) and protect customers from retaliation when they seek help or complain.

Regulators and supervisors

- ☐ Translate the minimum pathway into enforceable standards: acknowledgement, response time expectations, and a usable escalation route for “no response” cases.
- ☐ Require basic reporting that makes last mile performance visible (requests received, response times, outcomes, and complaint categories) and supervise conduct alongside portfolio metrics.
- ☐ Enforce non-retaliation and investigate patterns of coercion, discriminatory treatment, and documentation/communication barriers.

Ecosystem actors (NGOs, local authorities, community structures)

- ☐ Provide navigation support where language, literacy, or distance blocks access: help customers prepare requests, keep a simple record, and understand escalation steps.
- ☐ Refer high risk cases (threats, pressure to sell land, unresolved disputes) into appropriate grievance or legal channels and share anonymised recurring issues with providers and supervisors.

This division of roles keeps education focused on readiness and ensures the service environment converts customer action into timely, safe resolution.

Customers can act, so the system must answer

Taken together, these actions convert education into outcomes: customers can ask, propose, and escalate, but the system must answer. The objective is a predictable interaction in which people under stress can reach a channel, understand their options, receive a timely decision, and be treated with respect throughout. This is the practical complement to CE: education builds readiness; last mile reforms convert readiness into relief.

5. Localisation, Peer Exchange, Teachable Moments: What Made Delivery Work

This chapter documents what the pilot learned about **(i) the operating model used to deliver financial education and (ii) the content that customers found most useful in moments of debt stress.** It is not an outcomes chapter. Instead, it focuses on the delivery mechanics, including localisation through VDCs, peer exchange, and teachable moments, and the curriculum elements that helped customers translate learning into action. The chapter closes by translating these lessons into practical implications for ecosystem actors: providers, regulators and grievance actors, local authorities/NGOs, and implementers/funders.

We triangulate the implementation story across three lenses. Customer IDIs provide individual pathways showing what was learned, what action was attempted, and what happened next. Customer FGDs capture shared patterns, i.e., what communities collectively found useful, confusing, or not; what norms shifted; and whether learning spread beyond participants. The VDC FGD explains delivery mechanics, such as how VDCs adapted content, organised sessions, and what constraints and support needs emerged. The endline quantitative dataset provides a cross-sample view of perceived relevance, coherence, efficiency, and sustainability.

The operating model: what made delivery work (and where it hit limits)

1. Localisation via VDCs: trust and translation into local reality

Localisation was not simply a matter of delivering sessions close to where people live. In the qualitative data, localisation functions in two ways: as a trust mechanism (who delivers the message and whether customers feel safe engaging) and as a translation mechanism (how abstract concepts are turned into practical steps anchored in local livelihoods, language, and social reality).

Across FGDs, participants consistently described VDCs as supportive and trustworthy. This mattered because debt stress is accompanied by fear and shame; a local, familiar counsellor lowered the barrier to asking questions, admitting difficulty, and practicing what to say to lenders. Participants often contrasted the VDC space with the power imbalance they experience with credit officers.

"Very helpful: provided mental support, motivation, and guidance to speak out and negotiate rather than staying silent."

"Supportive, approachable, and culturally understanding."

The same trust effect appears in IDIs when customers describe what would enable them to communicate. Many explicitly reference VDC support as part of the action: not only learning that negotiation is possible but feeling protected enough to try it.

"The VDC Counsellors explained everything clearly and patiently, which made me feel protected and not alone."

Localisation also worked because VDCs translated content into accessible formats. VDCs emphasised that many villagers cannot read well; as a result, drawings, storytelling, and concrete examples were often more effective than formal lesson delivery. This is an operating model lesson: the delivery format needs to match the cognitive and literacy realities of households under pressure.

VDCs also described deliberately simplifying lessons using real life situations and 'crisis moments', especially when credit officers arrived at households. This is a direct articulation of the pilot's teachable moment design: education is most usable when it meets people at the point where a decision is being made and where fear is highest.

However, localisation also surfaced constraints, especially around language and technical terms. Several IDIs describe difficulty communicating in Khmer or in the language used by the credit officer, and fear of misunderstanding. These constraints are not peripheral: they shape whether customers can act on what they learn.

Practical role boundaries emerging from field experience

- ☐ **VDCs can credibly do:** translate content into local language/examples; help households clarify their situation; practice what to say; support basic documentation; advise on where to seek help.
- ☐ **VDCs should not be expected to:** replace formal grievance systems; adjudicate disputes; or take responsibility for provider decisions on restructuring/interest/penalties.
- ☐ **System actors must provide (noted in earlier chapters):** predictable hardship pathways; respectful collections standards; accessible complaint channels; and protections that make speaking up safe.

A final lesson from localisation is the need for clear role boundaries. As education moves from information into negotiation and complaints, the work touches power dynamics and potential conflict. The operating model is strongest when VDCs are positioned as educators and preparedness coaches, with clear referral pathways for cases that require provider escalation, mediation, or regulatory grievance channels.

2. Teachable moments: timing education when decisions are being made

The pilot's delivery model was intentionally designed around teachable moments, which is a point in time when debt stress becomes acute and when customers are forced to decide how to respond. The qualitative data suggests this design choice is central to how education moved from general understanding to concrete action: participants described using the training when credit officers visited, when repayment became difficult, or when households were considering high risk coping strategies.

Where feasible, rapid counselling (by VDCs) at these moments (rather than only scheduled group sessions) helped customers convert recall into a concrete next step.

A simple 'teachable moment' pathway described in the qualitative data

Trigger (e.g., credit officer visit, missed payment, refinancing offer, pressure to sell assets)

- ☐ Education prompt / recall of learning (rights, options, what to say, how to document)
- ☐ Action attempt (call the lender, request options, submit a proposal, seek VDC support)
- ☐ Provider response (accept, delay, reject, or remain silent)
- ☐ Outcome and learning (reduced pressure, partial relief, or continued constraint)

"Pii village preferred one hour morning group sessions… Prak village preferred evening sessions starting at 6:30 PM… One session per week was preferred."

VDCs also described organising sessions around village context and availability, indicating that teachable moments are not only about crisis response; they are also about convening at times when households can realistically attend and practice. In practice, this meant different scheduling patterns across villages.

When asked what they would say if they had to contact the lender tomorrow, many IDI respondents gave clear, practical openings: explaining their situation honestly, requesting adjusted terms, or asking to negotiate rather than being threatened. These responses illustrate the 'teachable moment' outcome the pilot aims for: customers having a script and a first step.[27]

The following vignettes illustrate how teachable moments played out in practice: one case where a restructuring request was accepted, and one where the customer did not get the exact request approved but still achieved partial relief.

27 As noted in earlier chapters that lender behaviour can impact initiating and sustaining conversations. This is why many participants repeatedly emphasised the value of VDC accompaniment or coaching

Case vignette 1: Restructuring accepted after preparation

Profile: Female, age 26, Kreung, PII; Full exposure

- **Trigger and need:** Difficulty meeting repayment terms and a need to find a workable plan.
- Action: Requested restructuring and adjusted repayment terms, drawing on learning about rights and negotiation.
- **Outcome:** I requested loan restructuring and adjustment, and the lender accepted terms that I could manage. I also help other villagers negotiate properly and legally.
- **Enabler:** Learning about my rights and legal terms during the VDC pilot gave me confidence and courage.
- **Constraint:** Understanding and preparing legal documents remained challenging, suggesting ongoing need for simple templates and support.

Case vignette 2: Requested interest reduction; received partial relief through adjusted instalments

Profile: Female, age 40, Kreung, PII; Partial exposure

- **Trigger and need:** High monthly pressure and uncertainty about how to engage the lender safely.
- **Action:** Requested an interest reduction and asked for adjusted payments based on household capacity.
- **Outcome:** I requested an interest reduction, but the bank said it was not possible. However, they reduced my principal instalment and extended the loan period, which helped reduce my monthly pressure.
- **Constraint:** Fear of misunderstanding and difficulty with financial terms continued to limit confidence, reinforcing the importance of scripts and accompaniment during lender interactions.

3. Peer exchange: confidence, normalisation, and diffusion

Although framed as 'financial education', the model's peer component (group discussion and shared problem solving) appears to have been a significant mechanism for building confidence. Peer exchange provided a social space where participants could voice concerns, hear how others navigated lender pressure, and realise they were not alone. This matters in debt stress contexts because fear and stigma often prevent people from asking questions or seeking help.

"Participants described VDC as a 'good third party' and mentally supportive."

In FGDs, groups consistently reported that they were able to raise issues and have them discussed. Participants described the VDC setting as a 'good third party' and emphasised mental support alongside practical guidance.

Peer exchange also supported diffusion beyond direct participants. While not universal, several groups reported sharing learning with family members and neighbours. This suggests the model can potentially influence household decision making even when not every household member attends sessions. At the same time, peer exchange needs guardrails. To stay safe and useful, peer sessions worked best when VDCs set clear norms and used structured practice rather than open ended venting.

Peer exchange guardrails that support safety and usefulness

- **Confidentiality norms:** no naming or shaming; focus on behaviours and options rather than specific individualsFactchecking: facilitators summarise 'what we know' vs 'what we are unsure about'; correct common misunderstandings.
- **Structured practice:** role play lender conversations; practice simple scripts; review documentation checklists.
- **Referral triggers:** threats/coercion, pressure to sell land, unresolved disputes, or cases where bank staff refuse to respond, such cases should move from peer discussion to counselling and escalation

4. Delivery quality and implementation variation: what 'good' looked like

Implementation was not uniform across villages or participants. VDC and customer qualitative feedback highlight practical constraints that influenced attendance and continuity. This variation matters because the curriculum is cumulative: a participant who attends one session may gain awareness ('I have rights; I can ask'), but may not receive enough rehearsal or tools to apply learning confidently under pressure.

On efficiency, participants rated delivery positively overall (mean 4.35/5; 84% rated 4–5). Qualitative feedback clarifies why: the village based approach reduced travel time and made sessions more accessible. However, several groups noted that session timing needed to fit livelihood rhythms, especially for rubber collecting and daily wage labour. VDCs confirmed that timing and village context strongly shaped participation. They described different patterns across villages and noted that meetings worked best when local authorities helped mobilise villagers. They also noted that some villagers were sceptical at first or resisted engagement due to fear of banks and the law.

"Rubber collecting schedules made attendance difficult for some participants."

"Village-based; night sessions preferred."

Taken together, the data suggests a practical definition of delivery quality in this context: sessions that are accessible (time and place), safe (respectful and non-shaming), translated into local reality (examples and visuals), and reinforced at moments of need. Quality also depends on support systems around VDCs (tools, supervision, and referral pathway) so that they are not left to handle complex cases alone.

The 'minimum effective package' for quality delivery (as implied by the evidence)

- ☐ **Local translation:** language, local examples, and visual facilitation suited to low literacy contexts.
- ☐ **Safe convening:** clear group norms, confidentiality, and respectful facilitation that reduces shame.
- ☐ Practical tools: short scripts, simple checklists, and step-by-step guidance that can be used under stress.
- ☐ **Teachable moment reinforcement:** rapid follow-up or counselling when credit officers visit or when repayment becomes difficult.
- ☐ **Supervision and materials:** refresher support plus basic equipment and visual aids.
- ☐ **Referral/escalation map:** clear pathways for issues that cannot be solved through education alone.

5. Sustainability and scale: what it takes to maintain fidelity

Participants were optimistic about continuing to use what they learned (sustainability mean 3.92/5; 61% rated 4–5), but qualitative feedback makes clear that **sustainability is conditional.** Customers described the need for continued neutral/independent support, simple materials, and, critically, provider cooperation and accountability. This reinforces a key theme: education builds readiness, but sustained outcomes require system alignment.

"Ongoing VDC support, lender cooperation, and literacy friendly tools."

"Stronger accountability from BFIs and accessible complaint systems."

When asked what support is needed for learning to last, FGDs consistently pointed **to ongoing VDC presence and tools that are easy to use in low literacy contexts.** Several groups also explicitly linked sustainability to lender behaviour and complaint system effectiveness.

VDCs echoed these sustainability needs from an implementer perspective. While they reported that **mentoring and local authority mobilisation helped,** they also stated that support was not fully sufficient due to lack of equipment and teaching tools. They requested **additional visual aids and basic materials** to improve delivery

quality at scale. For scale, **the operating model therefore needs to be treated as an ongoing system rather than a one-off training.**

Fidelity vs. flexibility for scaling

- ☐ **Must stay constant:** local translation (language + examples); safe peer space with facilitation norms; stress proof tools; teachable moment reinforcement; supervision/refresher support; referral/escalation pathways.
- ☐ **Can flex by context:** session timing and frequency; local examples and visuals; language mix; sequencing of modules depending on borrower stage and village needs.
- ☐ **Practical enablers for scale:** basic equipment and visual aids for VDCs (print templates, posters, simple videos), plus a feedback loop that turns recurring field issues into updated tools and provider facing engagement.

The content: what landed, what enabled action, what needs redesign

6. What content stuck, and why

Across IDIs and FGDs, the topics **most consistently recalled were those that felt immediately usable under pressure:** negotiation with credit officers, borrower rights and respectful treatment, practical options when repayment is difficult, and basic budgeting/cash-flow clarity. Customers often described remembering these topics because **they directly matched daily stress**, such as, what to do when a credit officer visits, what to say first, and how to avoid panicked decisions like selling land.

"I attended all four sessions… I remember learning about debt management, negotiation, tracking income and expenses, and borrower rights because these topics directly related to my daily stress."

VDCs reported a similar pattern from the facilitator perspective: lessons about stress from debt, budgeting, and where to seek help were described as the most popular and easiest for villagers to engage with. This suggests that **'content fit' is not only about financial concepts; it is also about recognising the emotional and cognitive load of debt stress.**

At the same time, the data also shows that **content retention is affected by exposure and accessibility.** Several IDIs describe attending only one session due to work, travel, or language barriers, and reporting lower recall. This reinforces the value of stress proof tools that can be learned quickly and reinforced during teachable moments, even when full module attendance is not feasible.

6.1. What remained confusing or hard to apply

The most persistent points of confusion were not about the idea of 'having options', rather they were about **translating options into the language and documentation of formal finance.** Customers described difficulty with technical terms, legal documents, and the fear of saying the wrong thing. These difficulties are precisely where customers can lose confidence and revert to passive acceptance.

Language barriers intensified this challenge for some indigenous participants, particularly where lender interactions occur primarily in Khmer. Several respondents explicitly linked fear to language and power imbalance.

From a design standpoint, these findings suggest that the **curriculum should treat 'documentation and communication' as a core skill set supported by templates, visuals, and coached practice, and not as an add-on.** The more technical elements may be better delivered through counselling at teachable moments rather than in a one-size-fits-all group module. See Annex 2: What "documentation and communication" means in the curriculum.

From knowledge to action: what the content enabled (and where it stalled)

Where the content 'worked' most clearly, it did so by increasing preparedness: customers felt able to name options, explain their situation, and take an initial step toward negotiation or complaint. The qualitative data includes multiple examples of customers preparing documents, requesting interest or penalty changes, and approaching lenders more proactively than before.

"The VDC helped me prepare documents and a negotiation letter to show the bank my low ability to repay and helped communicate with the credit officer."

FGDs echo these action attempts and suggest **that the combination of rights awareness and practical coaching changed what customers were willing to try.** In one group, participants described requesting principal only repayment, interest reduction, or loan merging; they also reported trying to submit documentation to support their requests. However, as noted earlier, the 'last mile' hurdle (lender response) needs to be addressed.

What customers tended to adopt first (the 'stress proof' toolset)

- **Negotiation 'opening script':** a first sentence that states the situation honestly and requests options or adjusted terms.
- **A simple 'my situation' summary:** what income looks like now, why repayment is difficult, and what repayment pattern is feasible.
- **An options map:** what to try first (negotiate/adjust), second (seek VDC support), and third (complaint/mediation) depending on lender response.
- **A basic documentation checklist:** what to bring to the branch; what to record after interactions (date, staff name, what was said).

7. Segmentation and sequencing: content needs differ by borrower situation

A recurring lesson from IDIs is that **customers' content needs differ sharply depending on where they are on the debt stress trajectory.** Some participants were in early stress (payments were difficult but still manageable) and primarily wanted to understand rights and options for the future. Others were already in severe distress, facing repeated pressure, asset sales, or multiple lenders, and needed urgent, concrete support on negotiation and escalation.

This implies a practical curriculum design principle for future phases: **sequence and emphasise content based on borrower stage.** For early stress, prioritise prevention and planning (cash-flow clarity, early engagement scripts, avoiding informal borrowing). For late-stage distress, prioritise high stakes decision support (how to request restructuring, how to document interactions, what to do when staff refuse to respond, and how to access complaint/mediation channels safely).

Simple borrower stage lens for tailoring delivery

- **Early stress (warning signs; first repayment difficulty):** focus on cash-flow, early engagement scripts, and options awareness.
- **Late-stage distress (arrears; repeated pressure; asset-sale risk):** focus on negotiation tools, documentation support, and escalation pathways.
- **Complex cases (multiple lenders; language barriers; coercion threats):** shift from group sessions to counselling and supported referral.

8. Content redesign priorities: what to strengthen next

The **content appears to be highly relevant** (mean relevance 4.78/5), but the qualitative evidence suggests several targeted improvements that would make learning more usable under stress and reduce reliance on VDC accompaniment.

First, **strengthen the action enabling elements** that customers consistently recall: borrower rights, negotiation steps, and short scripts. Second, **simplify technical and legal language** into plain language tools and visuals, especially for multilingual contexts. Third, **add explicit guidance for 'what to do when the lender says no',** including documentation, escalation, and safe complaint pathways, so that customers do not interpret rejection as personal failure.

Prioritised content improvement backlog (grounded in customer/VDC feedback)

- ☐ **Make scripts and steps more explicit:** a one-page 'what to say first' guide for phone calls/branch visits, with Khmer and local language versions.
- ☐ **Create simple templates:** a one page household situation summary and a restructuring request template that can be completed with minimal literacy.
- ☐ **Add a 'resistance handling' module:** what to do if staff dismiss requests, delay repeatedly, or claim no policy exists; how to document interactions safely.
- ☐ **Build a plain language glossary:** common financial and legal terms translated and explained using local examples.
- ☐ **Expand visual materials:** drawings, posters, and short videos that match the way VDCs already teach.
- ☐ **Clarify complaint and mediation steps:** a simple decision tree showing when and how to escalate, with realistic expectations and safety guidance.

Practical outputs for the next phase

9. A minimum implementation package (what 'good' looks like in practice)

Based on the evidence, the minimum package for future implementation should keep the core operating model functions intact while simplifying and strengthening the 'action toolset'. The package (based on earlier learning) below is written as a practical checklist for programme designers.

Minimum implementation package

- ☐ **Localised facilitation:** VDC-led delivery with local language support where needed; local examples tied to livelihood cycles.
- ☐ **Structured peer sessions:** group discussions with clear norms (confidentiality, non-shaming) and structured practice (role plays, scripts).
- ☐ **Teachable moment Counselling:** capacity for rapid follow-up during repayment crises or credit officer visits.
- ☐ **Stress proof tools:** scripts, one-page templates, options maps, and documentation checklists designed for low literacy.
- ☐ **Supervision and refresher support:** coaching for VDCs plus periodic refreshers based on common challenges observed.
- ☐ **Referral/escalation architecture:** a clear map of where cases go when banks refuse, when threats occur, or when disputes require formal resolution.
- ☐ **Feedback loop:** regular collection of field insights and update of content/tools accordingly.

10. Monitoring and learning: what to track next

Monitoring for scale should track more than 'sessions delivered'. It should measure whether delivery quality is maintained, whether customers are attempting actions, and whether the system responds. A simple monitoring frame is below.

Suggested monitoring indicators (illustrative)

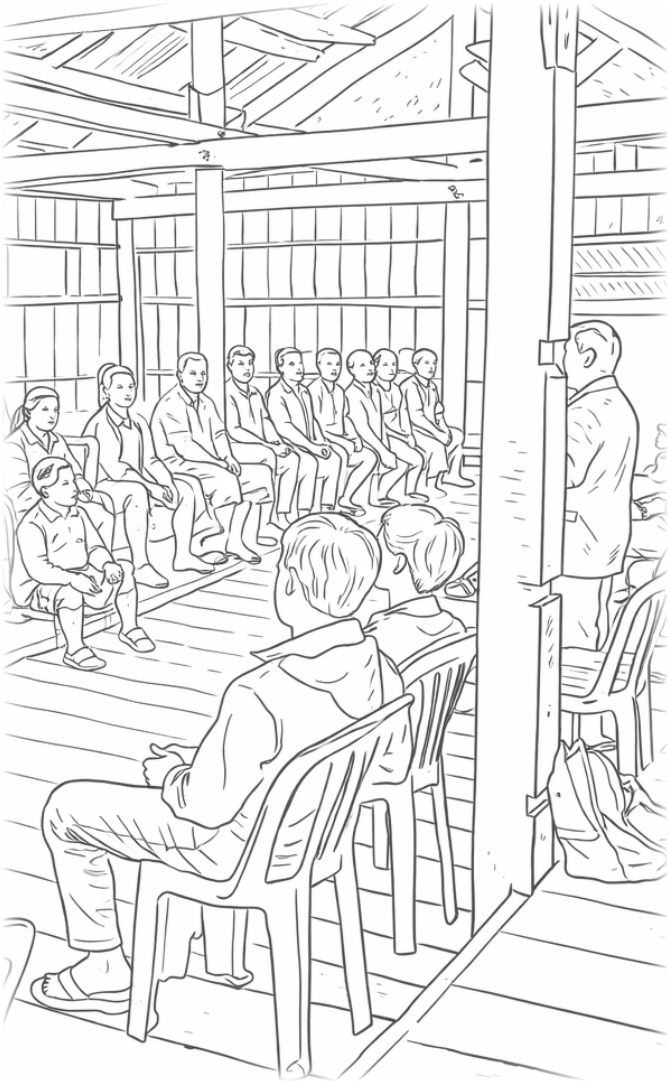
- ☐ **Reach and dose:** attendance per module; repeat participation; participation by gender, village, and ethnic group.
- ☐ **Delivery quality:** comprehension checks; use of visuals; adherence to safety norms; participant perception of respect and usefulness.
- ☐ **Tool use and action attempts:** number of negotiation attempts; proposals prepared/submitted; referrals made; complaints initiated.
- ☐ **System response:** time to respond to proposals/complaints; proportion receiving a clear decision; resolution outcomes; reported respectful vs coercive behaviour.
- ☐ **Sustainability signals:** continued contact with VDCs; diffusion to household members; continued use of templates/scripts after sessions end.

Conclusion: distilled operating model and content lessons

The pilot's delivery model works because it combines three reinforcing mechanisms: localisation (trust and translation), peer exchange (confidence and normalisation), and teachable moments (timing learning when decisions are live). Customers rated relevance very highly and repeatedly described gaining confidence, scripts, and options awareness. The most persistent constraint is the last mile: education can make customers clearer and braver, but outcomes depend on whether lenders and grievance systems provide predictable, safe, and responsive pathways.

Five distilled lessons

- ☐ Localisation is both trust and language translation: VDC-led delivery and local examples/visuals are central, not optional.
- ☐ Teachable moments convert learning into action: customers use scripts and tools most when lender pressure is immediate.
- ☐ Peer exchange reduces shame and increases confidence, but requires guardrails to avoid harm.
- ☐ Action attempts are common; system response is uneven, and therefore, standardising hardship and complaint pathways is essential to close the last mile.
- ☐ Scale needs architecture: supervision, tools, equipment, multilingual materials, and clear escalation pathways.



6. Reading the Findings with Balance: Agency, Incentives, Context

Why this reflection is included

This report focuses on situations of debt stress because that is where CE is most tested: when fear is high, options are narrow, and the consequences of missteps can be severe. The intention is not to present financial service providers, or any other stakeholder, as uniformly 'good' or 'bad'. Rather, it documents what borrowers reported and what the pilot observed about how systems and people interact under pressure, and where practical improvements could reduce harm and improve outcomes for all sides.

A balanced reading requires holding two truths at once. **First, market structures, incentives, and weak enforcement can normalise practices that undermine customer agency. Second, borrowers also make choices (sometimes under incomplete information, social pressure, and shocks) that can contribute to repayment difficulty.** Empowerment therefore includes both rights and responsibilities: the ability to ask questions, refuse unaffordable credit, seek remedy safely, and make more deliberate decisions over time.

Borrower agency and responsibility: empowerment includes discernment

Customer empowerment is not only about being protected after harm occurs; it is also about building the judgment, restraint, and self-awareness to avoid harm where possible. In practical terms, this includes being able to say: 'No, this loan does not work for me,' 'Not now,' or 'Only if the terms change.' In some contexts, a 'good' empowerment outcome is a decision not to borrow (or to borrow less) when cash-flow risk is high or when existing obligations are already stretched.[28]

At the same time, responsibility must be exercised in an environment that does not actively erode it. Where marketing pressure is persistent, information is asymmetric, and documentation is hard to understand, especially for customers facing language and literacy barriers, 'choice' becomes constrained in practice. A responsible inclusion ecosystem therefore needs both: stronger borrower capability to assess and refuse unaffordable credit and market rules that prevent pressure tactics and enforce respectful, transparent conduct.

Informal lenders as a pressure multiplier

The report notes that informal lending is often present alongside formal credit. In many cases it is not merely a 'lender of last resort' after formal options are exhausted. It can also act as a pressure multiplier: short-term, high cost borrowing used to avoid missing a formal instalment can quickly become an additional repayment clock. This dual obligation can reduce the room borrowers have to negotiate with formal providers, and it can make otherwise workable solutions (such as short-term rescheduling) harder to sustain. Recognising this dynamic does not shift responsibility away from borrowers; it clarifies the reality in which decisions are made. It also helps explain why some borrowers prioritise immediate liquidity and social safety over longer term affordability, and why preventive capability building and early intervention matter.

Implications for a more preventive response

Because many problems become harder to solve once debt stress escalates, preventive measures deserve greater emphasis alongside 'last mile' response improvements. Preventive consumer education and capability building, including practical tools to assess affordability, compare options, and resist pressure, can strengthen borrowers' ability to avoid unaffordable loans in the first place. This is one reason why scaling preventive initiatives such as Safe Finance style programmes through national systems is important: it equips households before they are approached, not only after a crisis begins.

28 We see this evidence from Cerise+SPTF's customer empowerment pilot in the Philippines. Here, the Choice dimension was piloted via customer education.

Prevention does not replace provider and regulator responsibilities. It complements them by reducing avoidable borrowing mistakes, improving the quality of borrower-provider interactions, and supporting earlier, less adversarial problem solving when shocks occur.

Transferability and limits: how to read the findings beyond Ratanakiri

This report is grounded in a pilot in one province and a specific set of villages and participants. It therefore does not claim to measure the prevalence of practices across Cambodia, nor to present "nationally representative" statistics. What it does offer is a close view of how debt stress and borrower–provider interactions can unfold in a setting where vulnerability is high and where language, distance, and fear shape the customer experience.

A useful way to read the findings is as **signals about mechanisms** rather than as definitive statements about frequency. Several of the mechanisms documented here (such as the role of power imbalance in shaping communication, the practical barriers to using formal resolution pathways, and the way repayment pressure escalates when incomes are volatile) are not unique to Ratanakiri. They echo themes raised in earlier research, media reporting, and practitioner accounts of Cambodia's credit market, including concerns about affordability assessment, conduct risks, and land linked collateral dynamics.

At the same time, Ratanakiri also has features that may intensify or alter how these mechanisms play out: remoteness, higher concentrations of Indigenous communities and language barriers, reliance on seasonal agriculture and cash crops, and uneven connectivity. These conditions can make the "last mile" of customer protection, such as documentation, negotiation, respectful treatment, and practical access to remedy, more fragile. In other provinces, the same mechanisms may appear differently: the severity may vary, the coping strategies may differ, and the balance between formal and informal credit may shift.

For readers considering transferability, two questions may be most useful.

First: Are the incentive structures and operational practices described here plausibly present elsewhere in the sector?

Second: Do the constraints that shape borrower agency (information gaps, fear, distance, social pressure, and limited recourse) also appear in other contexts, even if in different forms?

Where the answer is "yes," the implications of this report may travel, even if the exact patterns and intensity do not.

The most cautious conclusion is therefore this: the pilot is not designed to settle questions of national prevalence, but it does help illuminate how certain customer protection gaps can persist after education unless the surrounding system responds. This is why the report emphasises both sides of the empowerment equation: strengthening borrower capability and confidence, while also strengthening provider conduct, grievance response, and regulatory enforcement so that agency can be exercised safely and meaningfully.

Annex 1: When Speaking Up Isn't the Same as Escalating: What Customers Say About "Official Pathways" After a Lender Conversation Fails

This annex summarises what the qualitative data (IDIs and FGDs) suggests about a consistent pattern seen in the endline results: many customers report feeling more able to speak up in the moment, but still have limited clarity on what to do next if the first conversation with a credit officer goes nowhere.

What is meant by an "official pathway"?

In this report, an "official pathway" refers to the practical steps a customer can take after an initial discussion does not resolve the issue, such as: who to approach next (e.g., branch manager, head office, hotline/regulator), what proof or documents matter, and what makes a request or complaint "count" in the system.

The "map" is missing: channels may exist, but steps are unclear

Across IDIs and FGDs, customers often describe knowing that support exists somewhere, but not knowing the sequence of steps or the correct escalation route. In some cases, customers report knowing only one local route (typically the pilot's VDC) and being unsure what comes after that. One respondent described this directly: "I only know the Village Debt Counsellor. I do not know other complaint channels."

Even where customers could name institutions, this did not necessarily translate into procedural clarity. Another respondent noted: "I know the Village Debt Counsellor, bank branches, the National Bank, and the Association of Banks, but I still feel unsure about the formal process."

In practical terms, awareness exists, but the pathway is not always usable as customers may not know who to contact first, how to frame the issue, or what the expected steps and outcomes should be.

Language and confidence barriers intensify at the "formal step"

FGDs suggest that the biggest barriers emerge when escalation becomes more formal, especially when it involves technical language, documentation, or communicating with institutions outside the village. In several discussions, participants were able to name external avenues (including the National Bank), but immediately flagged communication barriers, particularly where customers are Indigenous language speakers.

FGD summaries repeatedly reflect uncertainty about "how to proceed," even when participants could identify that a channel exists. Another FGD explicitly noted that communication is difficult due to language barriers, especially in formal escalation contexts.

This barrier is not only about translation; it also includes discomfort with technical terms, unfamiliar documentation processes, and fear of using "the wrong words" that might cause a complaint to be dismissed or misunderstood.

Escalation can feel risky or pointless when lender responses are unpredictable

Another theme is that customers may avoid escalation because they expect it will not lead anywhere, or that it may trigger a negative response. Several IDIs describe experiences where customers attempted to renegotiate or adjust terms and encountered a rigid or inconsistent response from lenders. One respondent explained:

" I called BFI staff and asked them to adjust the loan structure to fit my situation, but they rejected it, saying there was no policy [Internal BFI policy]."

Experiences like this can shape how customers evaluate the value of formal escalation. Even when individuals learn they can ask questions, they may also learn that the system may not recognise certain requests or may respond unpredictably; this reduces confidence that formal escalation will be worth the effort or risk.

In practice, the most trusted route is relational: the VDC as the bridge

A final, consistent point is that customers describe the most workable "route" as local and relational, and not a hotline, regulator, or formal complaint office. The pilot's VDC appears repeatedly as the trusted bridge: someone who can translate, accompany, explain the issue to the lender, and help the customer navigate procedures that otherwise feel inaccessible.

This helps explain why Voice behaviour can be strong (people ask questions and speak up in interactions) while Voice knowledge remains lower: speaking up happens within the immediate relationship, but the broader escalation pathway is often unclear, intimidating, or practically out of reach without support.

Implication for interpretation of endline results

Taken together, the qualitative evidence supports the interpretation that in-the-moment voice (asking questions, expressing concerns) is not the same as procedural voice (knowing how to escalate and seek recourse). Customers may feel more confident speaking up, while still lacking a clear, practical escalation map if the first conversation fails.

Annex 2: What "documentation and communication" Means in the Curriculum

This annex clarifies the report's use of the term "documentation and communication" and why it should be treated as a core skill set in the CE curriculum.

Documentation and communication refers to the practical, stress-proof skills borrowers need to (a) manage a basic paper trail and (b) use that paper trail to communicate clearly and safely with lenders when negotiating, requesting relief, or resolving disputes.

What it includes

1) Documentation (the paper trail)

- ☐ Knowing which documents matter (e.g., contract, repayment schedule, arrears notices/penalties, receipts, collateral related papers).
- ☐ Preparing simple supporting information that explains hardship and capacity to pay (e.g., a one-page summary of the shock, current income, key expenses, and what the household can realistically pay).
- ☐ Using templates for formal requests (e.g., restructuring request, request for meeting, complaint submission).
- ☐ Keeping a basic interaction record (date, channel, staff name, what was said/promised) so outcomes do not depend on memory under stress.

2) Communication (the interaction)

- ☐ Having a simple script for calls/meetings/field visits (what to say first, how to describe the situation, what to request).
- ☐ Knowing what to ask for and how to ask (clear requests, specific options, timelines, and next steps).
- ☐ Confirming understanding (asking for repetition/clarification and requesting decisions in writing where possible).
- ☐ Managing language barriers (prepared Khmer phrases, bilingual prompts, use of a trusted interpreter, and practiced delivery to reduce fear and confusion).

Why it matters

These skills help participants convert "awareness of rights/options" into "actionable steps" by making negotiations and requests clearer, more consistent, and easier to evidence, particularly when participants feel intimidated, are under time pressure, or cannot communicate confidently in Khmer.

Implications for curriculum design

- ☐ Treat documentation and communication as a core module, not an add-on.
- ☐ Deliver through templates, visuals, and coached practice (role plays, scripts, and step-by-step checklists).
- ☐ Reserve the most technical elements (specific lender procedures, case-by-case restructuring terms, complaint escalation) for individual counselling at teachable moments, rather than a one-size-fits-all group session.

Suggested tools (examples): One page "My Situation & Request" form; bilingual phrase sheet; negotiation script card; document checklist; interaction log; simple complaint template.

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