

December 2021



## ICBA Members Today

Who are they and how do they contribute and report on sustainable development ?



The report is commissioned by the  
International Co-operative Banking Association (ICBA), 2021

## Role and objectives of the ICBA

- a) ICBA shall be representative of Co-operative Financial Institutions, hereinafter referred as CFIs and Cooperative Banks (CBs), Credit Unions (CUs) affiliated, directly or indirectly, to the International Co-operative Alliance, hereinafter referred to as ICA.
- b) The ICBA shall initiate and encourage worldwide discussion and constructive resolution of the crucial issues that face CFIs aimed at ensuring their financial stability. It shall disseminate best practices amongst members of Cooperative Banks including their management & Governance based on cooperative democratic principle and encourage co-operation between them.
- c) The ICBA shall provide Research and consultancy inputs to their members and to organize, collect, process and render the information on activity of ICBA and world's co-operative banking subjects in a way to make possible a fast, efficient and active access to these data for ICBA members and other authorized organizations, especially the ICA and other co-operative organizations.
- d) The ICBA shall facilitate the promotion at the international and regional levels of the distinctive cooperative values of cooperative banks and of the advantages of using them over other banks.
- e) ICBA shall constitute, if need be, Cooperative Banking Committees at Regional level, herein after called as Regional Cooperative Banking Committee (RCBC) as their direct entities covering different geographical areas as required by its members to act as a forum for discussion of co-operative banking issues.
- f) The ICBA shall consider to extend support to ICA Regional Offices to set up and promote Regional Banking Committees hereinafter referred to as "RBCs", but outside purview of direct membership in ICBA.

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*Readers may please excuse any typographical errors resulting from formatting and typesetting.*

# FOREWORD

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President, ICBA

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The Strategic Plan 2020-2030 of International Cooperative Alliance (ICA) has four most important Themes: Promotion of the Cooperative Identity, Growth of the Cooperative Movement, Cooperation among cooperatives, and Contribution to Global Sustainable Development. Among other things, the strategic plan of ICA commits to a strong cooperative contribution to the 2030 Sustainable Development Goals (SDGs) of the United Nations. The envisaged Strategic Plan of ICA acknowledges the 2020 Vision as expressed in the Blueprint for a Cooperative Decade and proposes to extend it to 2030. As per the ICA Document, "This theme focuses on sustainable development through cooperatives: specifically, how cooperatives contribute to sustainable development and peace, as enshrined in the SDGs, beginning at local and regional levels. The SDGs highlight an integral part of what cooperatives are all about and have been doing for decades. The international cooperative movement will use the SDGs to illustrate its continuing contribution to sustainable development.

The document continues to state that "We need to measure and promote the direct contribution of cooperatives to global sustainable development by identifying key indicators within the seventeen interdependent United Nations SDGs against which to measure our economic, social and environmental impact globally, regionally, nationally and by sector." The 17 are part of the 2030 UN Agenda for sustainable development, adopted by 193 Member States at the UN General Assembly Summit in September 2015, and came into effect on 01 January, 2016. It is a set of universal goals and targets that meet the urgent environmental, political and economic challenges facing our world. Let us now look at the 17 SDGs: End poverty in all its forms everywhere, End hunger, achieve food security and improved nutrition and promote sustainable agriculture, Ensure healthy lives and promote well-being for all at all ages, Ensure inclusive and equitable quality education

and promote lifelong learning opportunities for all, Achieve gender equality and empower all women and girls, Ensure availability and sustainable management of water and sanitation for all, Ensure access to affordable, reliable, sustainable and modern energy for all, Ensure decent work and economic development for all, Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, Ensure access to affordable, reliable, sustainable and modern energy for all, Work Promote sustained, inclusive and sustainable, reduce inequalities in the country, Sustainable Cities and communities, Ensure sustainable consumption and production Patterns, Climate Action, Life below water, Life on Land, Promote Peace, Justice and strong Institutions, and Partnership for Goals.

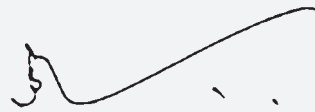
Against this present context, International Cooperative Banking Association (ICBA), one of the sectoral organizations of ICA in the year 2020 commissioned a study entitled, "Sustainable development Goals & Objectives: Contribution Of Cooperatives", with an objective to identify the contribution of cooperative banks to sustainable development objectives. To this end, it was proposed to build on the SDGs of the United Nations specific objectives and indicators for cooperative banks to measure the contribution of cooperative banks to the SDGs during the next decade. The current study commissioned by ICBA in 2021 on "ICBA Members Today: How Do They Contribute and Report On Sustainable Development?" is aimed to explore how cooperative Financial Institutions contribute to the SDGs, report and communicate on them. The results are very much interesting. The report is organized in three distinct parts: (I) the profiles of the ICBA members (II) the challenges and opportunities with the SDGs reporting and communication; and finally, (III) the recommendations of the ICBA members for further strategic priorities in the coming years.

It is interesting to peruse that the analysis of the ICBA members report shows the differences in the approaches to reporting and communication on sustainable development. A perusal at the summary of the following events through a greater insight for future analytical research on SDGs and CFIs.

The virtual Roundtable on the 18th of November 2021 was jointly organized by the ICBA and the Centre of Expertise for Cooperative Entrepreneurship (KCO) of the University of Leuven, Belgium and, the hybrid workshop held on the 30th of November 2021 in Seoul, South Korea. The workshop was organized as a side event of the 33rd World Cooperative Congress and was

attended by the ICBA President, the ICBA members as well as the ICA President Ariel Guarco.

I would like to thank the authors Nazik Beishenaly and Rubiga Sivakumaran for their brilliant work and the member organizations of the ICBA for their relentless support to the secretariat.



(Bhima Subrahmanyam)





- ACCU** - Association of Asia Confederation Credit Union
- CFI** - Cooperative financial institution
- EACB** - European Association of Co-operative Banks
- ICA** - International Cooperative Alliance
- ICBA** - International Cooperative Banking Association
- KPI** - Key Performance Indicator
- RoE** - Return on Equity
- SDG** - Sustainable Development Goals
- SMEs** - Small and medium enterprises
- UN** - United Nations
- WOCCU** - World Council of Credit Unions
- CSR** - Corporate Social Responsibility
- NAFSCOB** - The National Federation of State Co-operative Banks
- ESG** - Environmental, Social and Governance
- SACCO** - Savings and Credit Cooperative Organization
- SSE** - Social and Solidarity Economy
- GHG** - Greenhouse gas
- WWF** - World Wide Fund for Nature
- WBCSD** - World Business Council on Sustainable Development

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#### Authors contributions

**Nazik Beishenaly:** Design of the study, drafted Parts II and III on the contributions of the ICBA members to sustainable development and their expectations from the ICBA, interviews, qualitative data analysis, support with the analysis of the Part I.

**Rubiga Sivakumaran:** Collected data and drafted Part I on the ICBA member profile today, assisted with interviews and transcripts for the Parts II and III.

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## ICBA Members Today

**In 2021, the International Co-operative Banking Association (ICBA) counted 50 member institutions**, varying greatly in location, age, and size. They are present in 32 countries, while Asia-Pacific is the region with twenty members, second comes Europe with twelve members, followed by the Americas (11), and Africa (7). The largest part of ICBA members<sup>2</sup> (43%) were founded between 1961 and 1990, while the youngest members are from Africa.

**ICBA members remain mostly local and close to their communities** as 76% are active in their home country, 20% are active in 2 to 30 countries. The members, which are active abroad, are mostly located in Europe and the America. Their activities abroad can be represented by two types of activities: (i) Business and investments; and (ii) Solidarity, including coop-to-coop cooperation and supporting international development programmes.

**The ICBA members operate under different legal statuses and structures and serve different member groups.** ICBA members include a variety of legal structures, such as 'Cooperative Associations', 'Cooperative Federations', 'Association of Credit Unions', 'Savings and Credit Cooperatives', 'Cooperative Banks' and 'Tertiary Cooperative Society'. These CFIs can be represented by three groups: CFIs that deal with individual members; apex organisations of the financial cooperatives; national apex organisations (multi-sector). Most members fall into group 1 with 20 members and group 2 with 18 institutions, while in group 3 there are 12 members.

**ICBA members vary significantly in size** with CFIs that employ from 331 to 83,200 employees. They generally have an inclusive approach toward women, with on average of 54% women employees, but to be noted that Europe is the region with the most available data on this topic. Significant differences were also noted in the number of members and financial parameters. One of the challenges of the

present study was related to the availability of data as only a few of the ICBA members publish information on their websites. An improvement in this regard could give us a fuller picture of all ICBA members.

## ICBA members today: How do they contribute and report on sustainable development ?

**CFIs share commonalities due to their value-based cooperative model, commitment to the local community, outreach, and proximity** despite the differences in terms of resources, capacity, and scale of activities. Financial cooperatives typically include more vulnerable people both financially and socially-also have built-in constraints that make it difficult for institutions to grow beyond their member base. They face challenges with democratic governance and regulatory and supervisory arrangements. In developed countries, one issue is compliance with sustainability reporting requirements and the capacity to meet these requirements. In contrast, in developing countries the issue is more often sensitising members of the local communities to their responsibility toward their members, the climate and their natural environments. The role of supervisory authorities is key both in developed and developing countries, as they set indicators and increase transparency on how cooperatives contribute to sustainable development.

**Despite the increasing awareness of sustainability disclosure, more than half of the ICBA members have not yet integrated the SDGs into their reporting and communication.** The challenges are the lack of knowledge, resources, and capacity necessary to implement a sustainability reporting system. The ICBA members that actively engage in sustainability reporting are often encouraged by the National and Regional regulators, especially in the context of ESG reporting requirements in Europe.

2. We considered a pool of 46 institutions for which information on founding years was available



**ICBA members' contributions to sustainable development are driven and enabled by a range of internal and external factors.** Internal drivers are related to CFIs' cooperative nature, economic and social significance in their respective sectors and national economies, their democratic governance model and member-ownership. Cooperatives are also driven by the fact that they are community-based organisations with principles and values that prioritise long-term commitment to sustainable development goals. Several external factors enable and facilitate ICBA members' sustainability-oriented action, and these are related to regulatory incentives, market pressure, and ongoing societal trends, such as digitalisation of the banking sector, gender development, the changing nature of work, and other current issues also translate active involvement of the CFIs into sustainable development.

**The study allowed to identify activities that ICBA members implement to contribute to all four dimensions of the SDGs:**

- **Social:** Supporting local communities, promoting financial inclusion, improving employee wellbeing and health, investing in education and advance women and youth.
- **Economic:** Providing access to finance, creating jobs and decent work, supporting the local economic development and empowering vulnerable social groups that in many countries remain the bulk of member-users of cooperative credit institutions.
- **Environmental:** Engaging in green and sustainable finance and reducing environmental footprint.
- **Institutional:** Integrating environment, climate issues in institutions' policies and building coop-to-coop and other partnerships.

Few ICBA members report separately on the **cooperative** dimension by focusing on the service to their member community, promoting cooperative values and principles, and enhancing coop-to-coop cooperation.


**Sustainable development is recognised as an opportunity for cooperatives to affirm their**

**cooperative identity** and demonstrate the difference their cooperative nature makes by building on their member-based, community-led structure, governance model and value-based approach to business. However, the ICBA members still experience challenges that include measuring and identifying indicators, collecting data, showcasing the cooperative difference, raising awareness and obtaining endorsement from their member community, board and stakeholders.

### What are the ICBA Members' expectations ?

**Help CFIs to address key challenges.** ICBA members, despite their differences, are bound together by cooperative business and governance principles and by a range of common challenges that include competition with banks and fintech; preserving the cooperative difference; COVID-19; regulatory issues. In these areas, members believe that ICBA could play an important role by:

- **Enhancing coop-to-coop cooperation** by providing financial support, technology sharing and amplifying business partnerships between cooperatives from different countries and sectors.
- **Preserving and upholding the cooperative difference** of CFIs in the context of intensified societal transformations also require cooperatives to strengthen their shared narratives on their cooperative identity.
- **Sharing knowledge and information** as a platform for its members from different regions of the world.
- **Becoming a hub for addressing the SDGs jointly**, providing guidance on sustainability reporting, and policy and regulatory issues such as supporting its members with research and evidence.
- **Supporting with policy advocacy at the international level**, generating evidence and information on regulatory issues.



## Introduction

Cooperatives Financial Institutions (CFIs) are represented by various institutional forms: cooperative banks, credit unions, building societies, savings and credit associations, self-help mutual credit systems and others (ICBA & ICA, 2020). Their business model, rooted in local economies and member-based governance structure, as well as cooperative values and principles, has allowed them to become significant players in the banking sectors in all regions of the world. Recent developments show that financial cooperatives continue to play a significant role in promoting resilience in times of crisis and contribute to sustainable development in many ways: committing to Sustainable Development Goals (ICBA, 2020), promoting solidarity finance (Balkenhol, 2019), engaging in green and sustainable finance, and fighting against climate change (EACB, 2020). Few studies examined sustainability reports of cooperative banks that represent the most dynamic sectors to disclose sustainability information (Segui-Mas et al., 2015) and appear to be more concerned with social issues than economic or environmental issues (Bollas Araya et al., 2014), perhaps due to the fact that for them, there is no opposition between social and economic efficiency (San-Jose et al., 2018).

In Europe, cooperative banks provide access to finances through 43,000 outlets and employ approximately 705,000 people (EACB, 2021). According to the EACB website<sup>3</sup> in Italy, France, Germany and the Netherlands, cooperative banks' market share in loans ranges between 25% and 45%. For other parts of the world, the World Bank report

(2018, p.3) on financial cooperatives<sup>4</sup> lists 212,000 cooperative banking institutions and credit unions with 704 million members, which continue to grow. Indeed, data from the World Council of Credit Unions (WOCCU) Statistical Report shows that the total membership growth between 2007 and 2015 was about 26% with increasing rates of deposits and loans (53 and 47% respectively) for the same period.

As a global umbrella organisation for cooperative banks and one of the oldest sectoral organisations of the International Cooperative Alliance (ICA), the International Co-operative Banking Association (ICBA) promotes its members at the international and regional levels. The ICBA encourages the exchange of information among members on key issues relevant to all members of the ICBA (see Annex I for the list of members). The ICBA also supports its members through its research and knowledge exchange activities: During 2019 and 2020, the ICBA released two studies on regulatory and supervisory environment and Sustainable Development Goals. This report furthers these studies to gain a greater understanding of the ICBA members and the type of actions they implement to contribute to sustainability. The objective of the present report is two fold: first, to sketch a member profile of all institutions that are members of the ICBA including details from their geographical location to financial data. Second, to analyse the challenges and opportunities of how CFIs report and communicate their contributions to the SDGs.

3. Website information for the present report last consulted on 25/11/2021.

4. With reference to Grace, D. (2014) *Global Census of Cooperatives*. Unpublished manuscript.

The report highlights the importance of sustainable development for CFIs as a window of opportunity to increase visible their impact in different parts of the world. However, CFIs face several challenges in demonstrating their sustainability impact and making their cooperative difference visible across other regions and sectors. Challenges with data collection and measuring hinder opportunities for CFIs to demonstrate their impact, especially in regions where CFIs have limited capacity and resources to put in place complex data collection and analysis. In the regions where companies increasingly engage in sustainability reporting, what kind of measurement systems can best evaluate their specific cooperative impact? This is particularly relevant for European cooperative banks that are expected to report within mandatory sustainability reporting frameworks, such as the European Union taxonomy aimed at enhancing the transparency and accountability of businesses.

However, in the context of this increased competition for sustainability reporting, how do CFIs demonstrate their difference ? What metrics can reveal the difference made by cooperatives' value-based and people-centred business and governance model which lead to the reduction of poverty and inequalities, as well as ensure access to finance, education, housing and other opportunities to various groups of the population, including the most vulnerable?

The report is organised in three distinct parts: (I) Presentation of the profiles of the current ICBA members for which information was available; (II) Discussion of the challenges and opportunities about sustainability reporting and communication; (III) Expectations and recommendations of the ICBA members for ICBA strategic priorities for the coming years.

## Methodologic Note

The study was conducted from September through November 2021 and included the analysis of ICBA members website publications, sustainability reports and interviews with the representatives of the member institutions. It also included the discussions held during the online round table jointly organised by the ICBA and the Centre of Expertise for Cooperative Entrepreneurship of KU Leuven on the 18th of November 2021 and during the ICBA workshop organised as a side event of the World Cooperative Congress on 30th November 2021 in Seoul, South Korea.

Part One of the report on the ICBA member profiles is based on the information and data available from the members' websites. Wherever available, we consulted the latest annual and financial reports and extracted the available data. Provided the time constraints for this study, we provide a snapshot for 2019-2021. To map the ICBA members' profiles, we started with the list of ICBA members on the ICBA website and adjusted it to the most recent updates. The information collected includes:

- **General information:** Year of establishment; Country; Region
- **Outreach:** Number of members; Number of local banks (branches/offices); Number of countries in which active
- **Financials:** Total assets; Average RoE; Credit rating; Credit portfolio
- **Employees:** Number of employees; Gender Equality
- **Legal:** Legal status of the institution

One of the important challenges of the data was related to the availability of data as only a few of the ICBA members publish information on their websites (see Annex I).

Part Two extends to the CFIs the ICA study (2021) on cooperatives' contributions to the SDGs based on their own understanding and communication. For Parts Two and Three of this report, the objective was to explore how CFIs contribute to the SDGs and report and communicate on them, as well as learn what members expect from the ICBA for future strategic priorities. We proceeded with the analysis of sustainability reports of the ICBA members (available online; from 2019 to 2021; in English and French languages), and collected additional data through 13 online semi-structured interviews with ICBA members, which lasted for approximately one hour and took place between October and December 2021. The interview questions included questions on how ICBA members contribute, report, and communicate on sustainable development and expectations for ICBA future directions. The interviews were conducted in English, French and Spanish<sup>5</sup>. We contacted all ICBA members individually with the support of the ICBA presidency and followed up with the 13 members who responded to the request. The study results were presented to the ICBA members during the World Cooperative Congress side event organised by the ICBA on 30th of November, and the report draft version was sent to all ICBA members for the feedback.

*5. The interviews in French and Spanish were translated to English by the report's authors.*



## Geographical location and outreach

In 2021, the International Co-operative Banking Association (ICBA) counted 50 member institutions<sup>6</sup>, varying greatly in location, age, and size. As presented in figure 1 below, ICBA members are spread across four geographical regions, with 32 countries being represented in total. Asia-Pacific is the region with the largest amount of members (20)—with India boasting 10 members. Second comes Europe (12), followed by the Americas (11), and Africa (7). All 50 members are included in this geographical picture.

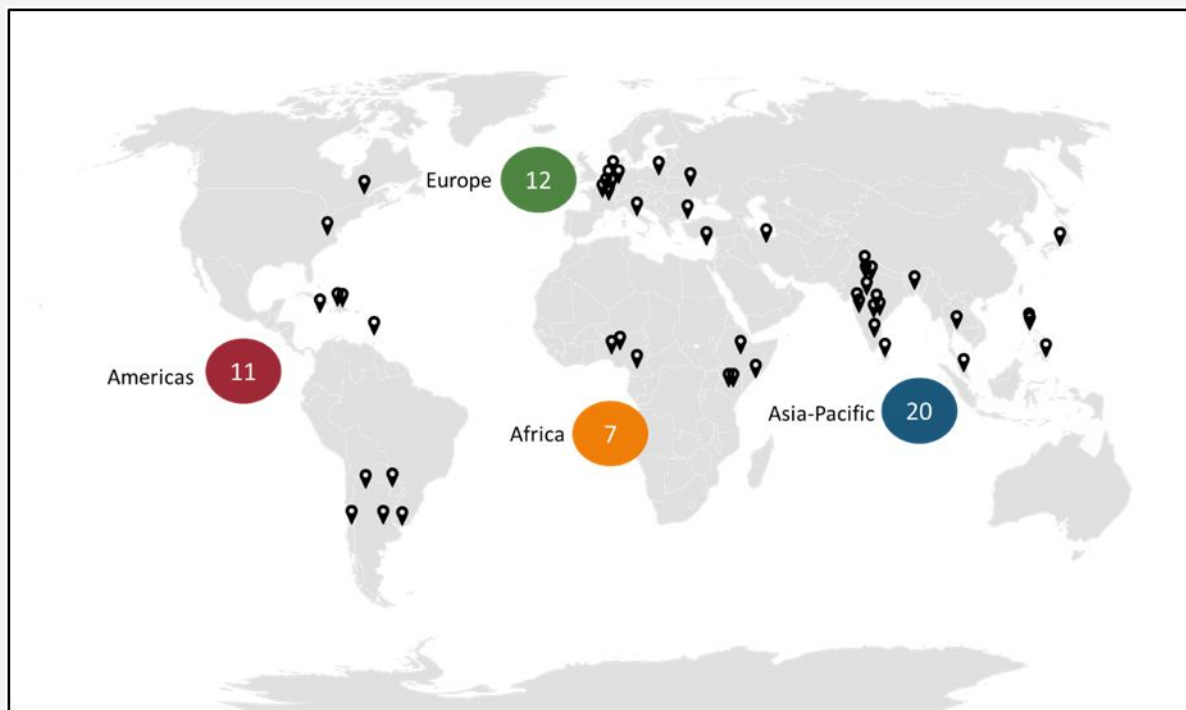
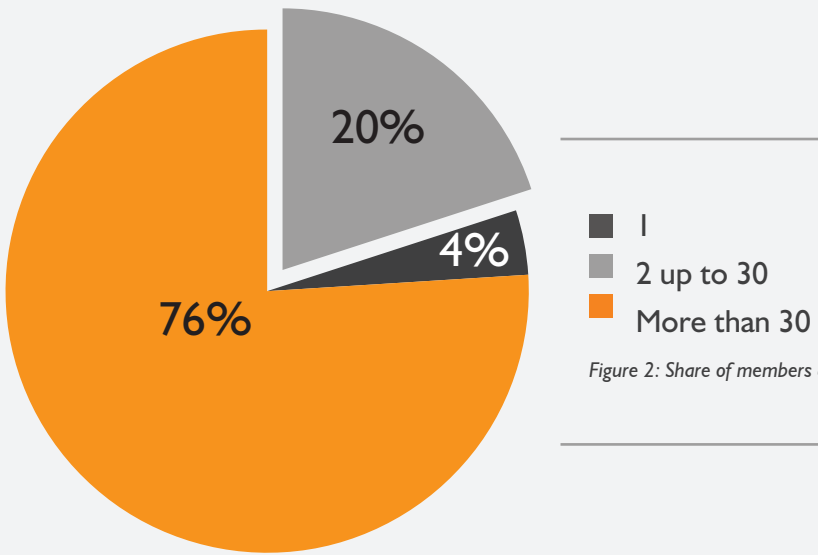


Figure 1: Geographical locations of ICBA member institutions

CFIs remain mostly local and close to their communities. Based on available data (for 46 members), we can conclude that 76% are only active in their home country, 20% are active in two to 30 countries, and only 4% are active in over thirty countries. The members which are most active abroad are mostly located in Europe (4) and the Americas (3).

6. Three new members that became part of ICBA during or after this research were not included in the analysis: Bangladesh Jatiya Samabaya Union (National Cooperative Union of Bangladesh), Fédération Nationale du Crédit Agricole, and Korean Federation of Community Credit Cooperatives (KFCC). This explains the difference between the number of members as presented on the ICBA website (53) and in this report (50).



■ 1  
 ■ 2 up to 30  
 ■ More than 30

Figure 2: Share of members active in a respective number of countries

We found that ICBA members' activities abroad can be represented by two types of activities:

- **Business:** For example, opening foreign branches and/or investments with the objective of reaching international markets.
- **Solidarity:** Coop-to-coop cooperation, technical assistance with the objective of supporting international development programmes and projects aimed at poverty alleviation, food security and other areas of sustainable development.

Oftentimes, a combination of the two categories can be noted for those members who are active in more countries than their own.

### Founding years of ICBA members

The largest part of ICBA members <sup>7</sup> (43%) were founded in the period between 1961 and 1990. The oldest member, Fédération Nationale des Caisses d'Épargne was founded in 1818 in France, and the youngest member was founded in 2016 in Nigeria. The younger members of the ICBA are from Africa: The figure below shows that the first member institution in Africa, the Cooperative Bank of Kenya, was founded in 1965.

The fact that ICBA members have been founded over the course of almost two hundred years right up to present, indicates that the cooperative model is still relevant and there is still a demand for the cooperative banks' business model.

7. We considered a pool of 46 institutions for which information on founding years was available

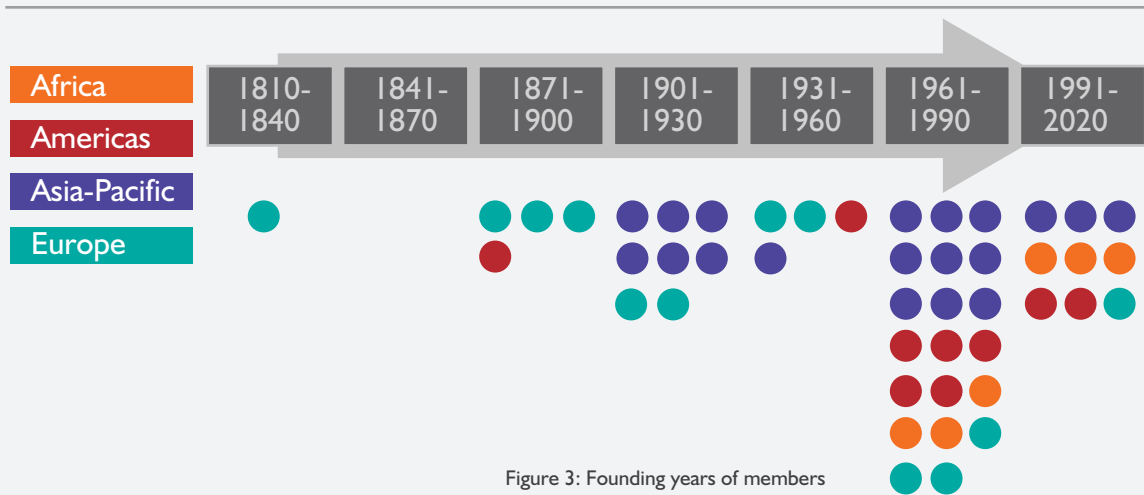


Figure 3: Founding years of members

### Categorisation according to activity

The ICBA members operate under different structures and serve different types of member groups. We have categorised the members into three different groups:

**Group 1. CFIs:** Institutions that deal with individual members.

**Group 2. Apex organisations of the CFIs:** Umbrella organisations that represent and bring together financial cooperatives without dealing directly with individual members.

**Group 3. National apex organisations:** Umbrella organisations that comprise both financial and other types of cooperatives.

The table below shows in which category each ICBA member can be classified. Most members (20) fall into Group-1, followed by Group-2 (18) and lastly, Group-3 (12).

No.	Group-1 CFIS	Group-2 Apex Organisations of the CFIS	Group-3 National Apex Organisations
1	Co-operative Bank of Kenya Ltd (CBK)	The Norinchukin Bank	Instituto Movilizador De Fondos Cooperativos, Cooperativa Ltda. (IMFC)
2	Cooperativa ACAC	National Cooperative Bank (NCB)	National Co-operative Union of India (NCUI)
3	COOPEUCH Ltda. Cooperativa de Ahorro y Crédito	National Co-operative Agriculture & Rural Development Banks' Federation Ltd. (NAFCARD)	Malaysian National Cooperative Movement (ANGKASA)
4	Cooperativa Universitaria Ltd.	National Federation of State Co-operative Banks Ltd. (NAFSCOB)	National Cooperative Council – NCC

5	Cyprus Turkish Co-operative Central Bank Ltd. (Koop Bank)	SANASA Federation Ltd in Sri Lanka	Sri Lanka Consumer Cooperative Societies Federation Ltd. (COOPFED)
6	Crédit Coopératif	Association of Asian Confederations of Credit Unions (ACCU)	Ukrainian Central Union of Consumer Societies (UKRKOOPSPILKA)
7	Cooperative Mortgage Bank Ltd (CMB)	Union Of Savings & Credit Co-operatives Ltd. (KUSCCO)	Iran Chamber of Cooperatives (ICC)
8	Confédération Nationale du Crédit Mutuel	European Association Of Co-operative Banks (EACB)	National Co-operative Development Corporation (NCDC)
9	Banco CredicoopCooperativo Ltd. (BCCL)	DGRV - DeutscherGenossenschafts- und Raiffeisenverband e. V.	MASS-SPECC Cooperative Development Center
10	Central Cooperative Bank Plc (CCB)	Caribbean Confederation of Credit Unions (CCCU)	Alliance Coopératives Cameroun (COOP-CAMEROON)
11	Rabobank	Jamaica Co-operative Credit Union League (JCCUL)	Somali Union Co-operative Movement (UDHIS)
12	Aurora Integrated Multipurpose Cooperative (AIMCooP)	Bangladesh Samabaya Bank Limited (BSBL)	Barbados Co-operative Business Association (BCBAL)
13	Cooperative Bank of Oromia	FederazioneItalianadelleBanche di CreditoCooperativo (Federcasse)	
14	Odua Cooperative Conglomerate Ltd (OCCL)	The Karnataka State Cooperative Apex Bank Ltd	
15	Buldana Urban Co-operative Credit Society Ltd. (BUCCS)	The Talangana State Cooperative Bank Ltd	
16	Desjardins	The Delhi State Cooperative Bank Ltd	
17	Union Cooperative de Crédit Agricole et Rural d'Haiti (UNICAGRIH)	Andhra Pradesh State Cooperative Bank Ltd (APCOB)	
18	Network Consolidated Cooperative Bank (NCCB)	National Federation of Urban Cooperative Banks and Credit Societies Ltd.	
19	Coop FR (Crédit Agricole)		
20	Fédération Nationale des Caisses d'Épargne (FNCE)		

Table I : Member categorisation in three groups





## The ICBA Members' Legal Statuses

The legal statuses within each group vary. They include 'cooperative associations', 'cooperative federations', 'association of credit unions', 'savings and credit cooperatives', 'cooperative banks' and 'tertiary cooperative society' (see Figure 4 below):

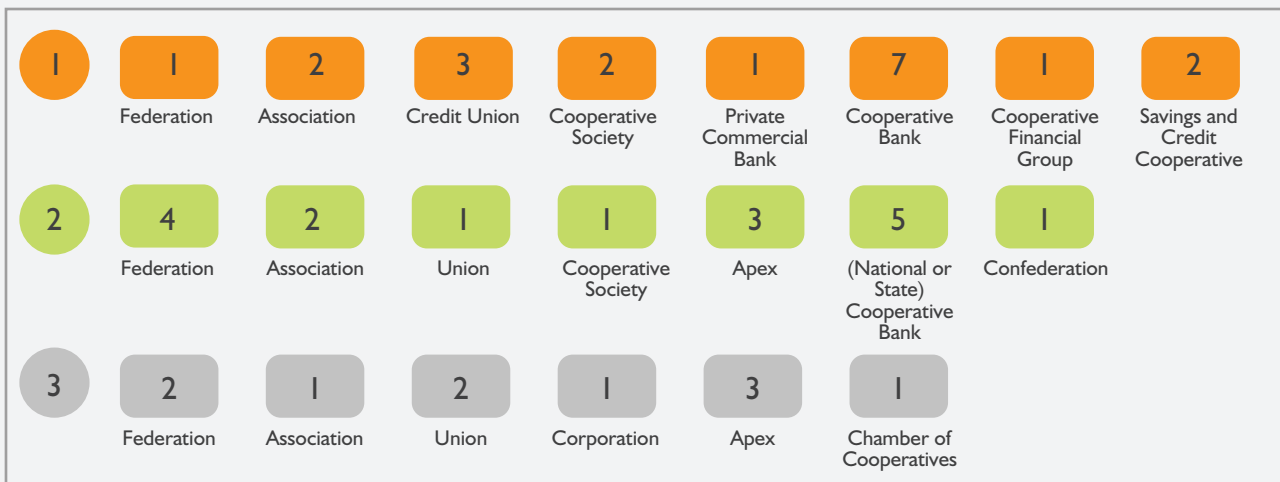


Figure 4: Legal statuses for groups 1, 2, and 3, respectively

In Group-1<sup>8</sup> eight different legal statuses in total exist, while the most common legal status is that of the 'cooperative bank' (7). Group-2<sup>9</sup> has seven different legal statuses, with the dominant legal status, i.e., the national or state cooperative bank, being represented by five institutions. Other legal statuses include federation, association, union, and cooperative society that are also represented in Group-1. In Group-3<sup>10</sup>, three members are apex organisations, the others are federations and associations.

## ICBA Membership Data and Analysis

The institutions in the three groups serve different types of members, ranging from individuals to cooperative federations. We therefore compare data within groups.

### Group 1: Individual members

In Group-1, the average number of individual members per institution is 5.9 million<sup>11</sup>. Looking at regions specifically, the average for Europe is highest with 8,695,814, followed by Africa (7,525,000), the Americas (3,169,707), and Asia (1,253,800).

Based on available data, the number of individual members ranges from 99,070 at Crédit Coopératif to 28,700,000 at Crédit Agricole.

8. Data for 19 out of the 20 cooperatives in this group was available and are included in the graph below.

9. Of the 18 institutions in Group 2, 17 had available data on this topic.

10. In Group 3, 10 out of 12 had available data.

11. This average is calculated with data for 12 out of 20 institutions in Group 1.

### Group-2: CFI apex organisations

Looking at Group-2, the average number of members per institution is 5,600<sup>12</sup>. It should be noted that, contrary to Group-1, we are not talking about individual members here but rather cooperative institutions and regional federations. The number of members varies greatly: from 15 (Federazione Italiana delle Banche di Credito Cooperativo, Federcasse) to 32,742 (Association of Asian Confederations of Credit Unions, ACCU). This is due to the fact that some institutions in Group-2 (of which ACCU is part) serve primary cooperatives, whereas others such as Feder casse serve regional federations.

### Group-3: National apex organisations

The average number of members per institution in Group-3 is 3,172<sup>13</sup>. Similar to Group-2, this number varies greatly between institutions: from six (both Somali Union Co-operative Movement and UDHIS and Barbados Co-operative Business Association, BCBAL) to 15,817 (National Co-operative Development Corporation, NCDC). Unlike Group 2, the differences between types of served members are smaller here and range only from cooperative unions (e.g., served by UDHIS) to cooperative institutions (e.g., served by NCDC).

12. Based on available data for 8 out of 18 institutions in Group 2.

13. Based on data for 8 out of 12 institutions in Group 3.

## Employee Data

The table below shows data for those institutions that had available information on the number of employees and the share of women among employees, sorted from the smallest to biggest.

Group	Name	Employees	% Women	
1	Central Cooperative Bank Plc (CCB)	1,870	82%	
	Crédit Coopératif	1,965	53%	
	COOPEUCH Ltda. Cooperativa de Ahorro y Crédito	1,991	49%	
	Co-operative Bank of Kenya Ltd (CBK)	4,628	46%	
	Banco Credicoop Cooperativo Ltd. (BCCL)	4,982	N.A.	
	Buldana Urban Co-operative Credit Society Ltd. (BUCCS)	7,000	N.A.	
	Cooperative Bank of Oromia	8,163	N.A.	
	Fédération Nationale des Caisses d'Épargne (FNCE)	33,900	N.A.	
	Rabobank	43,272	49%	
	Desjardins	48,930	N.A.	
	Confédération Nationale du Crédit Mutuel	83,200	N.A.	
	2	National Cooperative Bank (NCB)	331	62%
		The Norinchukin Bank	3,645	34%
	3	National Co-operative Development Corporation (NCDC)	365	N.A.
<b>TOTAL 14 INSTITUTIONS</b>		<b>244,242</b>		
<b>AVERAGE 14 INSTITUTIONS</b>		<b>17,446</b>	<b>54%</b>	

Table 2: Available employee data

The table above presents data for 14 out of 50 members, and it should be noted that the largest amount of data was available for members in Group-I. Here again, numbers vary greatly between 331 and 83,200 employees, with an average of 17,446.

While the pool of available data on women employees is even smaller (7 out of 50 employees), it shows that ICBA members generally have an inclusive approach toward women, with on average of 54% women employees, and Central Cooperative Bank in Bulgaria having the markedly highest percentage of 82%. Europe is the region with most available data on this topic (3). Yet, other regions have at least one representative in this regard as well.

Some institutions did not publish data on women among employees, but rather among it membership and Board. Ranging between 45% and 62%, this data only confirm the impression we get from the other gender-based data: women are represented better on average within CFIs than in their non-cooperative counterparts.

## Financial Data

Institutions in Group-I are the only ones providing direct financial services to individual members. Therefore, we focused on these institutions when analysing financial data<sup>14</sup>

Name	Total assets (EUR)	Total credit portfolio (EUR)
Co-operative Bank of Kenya Ltd (CBK) <sup>15</sup>	4,188,600,000	2,235,480,000
COOPEUCH Ltda. Cooperativa Ahorro y Crédito	2,378,103,200	1,737,461,000
Cooperativa Universitaria Ltda.	405,060,000	N.A.
Crédit Coopératif	24,049,747,000	20,315,357,000
Confédération Nationale du Crédit Mutuel	021,610,000,000	590,640,000,000
Banco Credicoop Cooperativo Ltd. (BCCL)	3,723,439,901	584,227,635
Central Cooperative Bank Plc (CCB)	3,386,995,680	1,303,991,460
Rabobank	632,300,000,000	409,380,000,000
Cooperative Bank of Oromia	944,820,000	615,600,000
Buldana Urban Co-operative Credit Society Ltd. (BUCCS)	1,564,000,000	894,240,000
Desjardins	253,400,000,000	148,773,000,000
<b>TOTAL II INSTITUTIONS</b>	<b>1,947,950,765,781</b>	<b>1,176,479,357,095</b>
<b>AVERAGE II INSTITUTIONS</b>	<b>177,086,433,253</b>	<b>117,647,935,710</b>

Table 3: Financial data for Group-I

Overall, assets of institutions in Group-I range from 405,060,000 EUR up to 1,021,610,000,000 EUR. The data for credit portfolios range between 584,227,636 EUR and 590,640,000,000 EUR.

Region	Assets (EUR)		Credit Portfolio (EUR)	
	Minimum	Maximum	Minimum	Maximum
Africa	944,820,000	4,188,600,000	615,600,000	2,235,480,000
Americas	405,060,000	253,400,000,000	584,227,636	148,773,000,000
Asia-Pacific	-	1,564,000,000	-	894,240,000
Europe	3,386,995,680	1,021,610,000,000	1,303,991,460	590,640,000,000

Table 4: Range of financial data per region

Despite their common cooperative identity, ICBA members vary greatly when looking at other areas. The 50 member institutions are spread over 32 countries, and their founding years range from 1818 to 2016. Moreover, because the member institutions operate under different structures and serve different types of members, we categorised them into three groups: 1) CFIs; 2) Apex organisations of the CFIs; and 3) National apex organisations. Even within these three groups, large differences can be noted in the amount of members and financials.

Overall, available information is limited when it comes to membership, employee and financial data. An improvement in this regard could give us a fuller picture of all ICBA members, enabling the ICBA members to better understand their history and contribute to their future.

14. Of the 20 members in Group I, data was available for 11 institutions.

15. Conversion rates 25 October 2021 (Xe.com): Kenyan Shilling to Euro: 0.0078; Chilean Peso to Euro: 0.0011; US Dollar to Euro: 0.86; Bulgarian Lev to Euro: 0.51; Ethiopian Birr to Euro: 0.18; Indian Rupee to Euro: 0.0115; Canadian Dollar to Euro: 0.7.



## II. ICBA Members Today

How do they contribute and report on sustainable development ?



### CFIs and the SDGs

The Agenda 2030 and the Sustainable Development Goals (SDGs) are recognised by the United Nations General Assembly Resolution A/RES/70/1 - Transforming our World: The 2030 Agenda for Sustainable Development as a plan of action for people, the planet and prosperity that expects action from all countries and all stakeholders in a collaborative partnership to implement this plan. The goals and its targets are based on three dimensions of sustainable development: economic, social and environmental. They have five core pillars: **people** by ending poverty and hunger and ensuring dignity and equality; protecting the **planet** and its natural resources by taking urgent action on climate change, enhancing sustainable production and consumption; **prosperity** that allows people to enjoy economic, social and technological progress without harming nature; **peace** in just and inclusive societies; and the promotion of global **partnerships** in a spirit of solidarity that focuses on the most vulnerable social groups. The role of cooperatives in achieving the Sustainable Development Goals was recognised in 2017 by the United Nation's General Assembly in its Resolution 72/143.

The ICA seventh principle, Concern for Community, declares that cooperatives work for the sustainable development of their communities through policies approved by their members. The SDG framework offers an opportunity for cooperatives to assert their cooperative identity, enhance their relationship with their member community and stakeholders, communicate their economic and social development impact and build new partnerships with national and international stakeholders for advancing the Agenda 2030.

The International Cooperative Alliance (2021) recognises that the SDGs are of great importance for cooperatives as they represent a process of change, a shared blueprint for people, the planet, prosperity, peace and partnerships, as well as a call for action at

all levels, which also presents an opportunity for cooperatives to showcase how their cooperative nature can have impacts on their sustainability goals. Since 2015, the ICA has undertaken a series of initiatives committing to the SDG through the ICA Blueprint for a Co-operative Decade (2015), which acknowledged cooperatives as leaders in economic, social and environmental sustainability. The International Co-operative Banking Association (ICBA, 2020), in its report on the contributions of cooperative banks to the SDGs, also examined the SDGs that were the most relevant to cooperative banks. The report shows that these contributions are often linked to the mission of cooperative banks in general, their cooperative governance model, their sectors of activities and specific products offered by cooperative banks such as insurance and social projects reflecting their embeddedness within their communities.

With this study, we aim at extending the previous work of the ICBA to explore how CFIs contribute to the SDGs, as well as report and communicate these goals. In order to collect opinions about the CFIs' contributions to sustainable development, we organised two events on the theme 'How do financial cooperatives contribute to sustainable development?':

**A virtual roundtable on 18th November 2021** was jointly organised by the ICBA and the Centre of Expertise for Cooperative Entrepreneurship (KCO) of the University of Leuven, Belgium. The presentation was followed by the discussion on CFIs' contributions to sustainable development with participants from the World Bank, the academy (i.e., the University of Leuven, University of Oxford, Paris Sorbonne Business School, University of Geneva) and cooperative bank practitioners from different regions of the world (e.g., Desjardins, Rabobank, the European Association of Cooperative Banks, the Caribbean Confederation of Credit Unions);

**icba** **KU LEUVEN** **November 18<sup>th</sup>** **14:00-16:00 CEST** **Online**

Centre of Expertise for Cooperative Entrepreneurship

Please register [following this Zoom Link](#)

**ROUND-TABLE DISCUSSION:**

**HOW DO FINANCIAL COOPERATIVES CONTRIBUTE TO SUSTAINABLE DEVELOPMENT?**

**Panel I. Financial cooperatives and the SDGs: what is the cooperative advantage?**

**Panel II. How to make visible CFI sustainable impact at a global level?**

**Prof. Bert D'Espallier**  
Professor, KU Leuven

**Juan Buchenau**  
Senior Financial Sector Specialist, World Bank

**Prof. Bernd Baillenhol**  
Professor, University of Geneva

**Hans Loth**  
Global Head UN Environment Partnership at Rabobank Group

**Dr. Nazik Beishensaly**  
Researcher, KU Leuven (Moderator)

**Denise Garfield**  
General Manager Caribbean Confederation of Credit Unions

**Prof. Eric Lamarque**  
Director Paris Sorbonne Business School, IAS

**Elisa Bevilacqua**  
Head of Department Sustainable Finance at European Association of Co-operative Banks

**Bhima Subrahmanyam**  
President, ICBA

**Dr. Ruth Yeoman**  
Kellogg College, University of Oxford (Moderator)

**Gildas Polesonnier**  
Director, Sustainability and Responsible Finance at Desjardins Group

**icba** **UPCOMING:** **ICBA MEMBERS TODAY: HOW DO THEY CONTRIBUTE AND REPORT ON SUSTAINABLE DEVELOPMENT?**

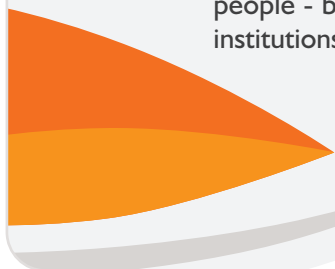
**November 30<sup>th</sup>** **13:30-15:00 KST** **Seoul, Korea & Online**

Register in advance for this meeting through [the Zoom link](#)

Picture 1: ICBA- KCO KU Leuven Round-table discussion, 18th November 2021

**A hybrid workshop 'ICBA members today: How do they contribute and report on sustainable development ?'** was held on 30th November 2021 in Seoul, South Korea. The workshop was organised as a side event of the 33rd World Cooperative Congress and was attended by the ICBA President, the ICBA members, as well as the ICA President Ariel Guarco.

During these events, we presented the preliminary findings of the present study and collected expert opinions on the subject, some of which are also included in this report as they provided valuable insights on the key themes of discussion as well as recommendations for the strategic priorities for the ICBA for the upcoming years. The questions included: What are the key areas of the SDGs where CFIs produce the most impact? Does the cooperative character provide CFIs with any advantage for contributing to sustainable development? Participants of the roundtable on the 18th November acknowledged that CFIs represent a wide range of large and small institutions that include cooperative banks and SACCOs which each have a distinct impact on sustainable development. The Rabobank AGR13 Fund project, for example, showcases the scale and importance of the CFIs in establishing multi-stakeholder partnerships and creating an environmental and social impact. These projects also contribute to the positioning of financial cooperatives as important international development actors. Despite the differences in terms of resources, capacity and the scale of activities, CFIs share commonalities linked to their value-based cooperative model, commitment to the local community, outreach and proximity. Financial cooperatives that typically include more vulnerable people - both financially and socially - also have built-in constraints that make it difficult for institutions to grow beyond their member base.





Picture 2: ICBA side event at the World Cooperative Congress, Seoul, 30th November 2021 (From right to left): Isabelle Ferrand, Deputy Chief Executive Officer at Crédit Mutuel; Ariel Guarco, President of the ICA; Bhima Subrahmanyam, President of the ICBA; and Jean-Louis Bancel, President of Crédit Coopératif Foundation.

They face challenges with democratic governance and regulatory and supervisory arrangements. In developed countries, one issue is compliance with sustainability reporting requirements and the capacity to meet these requirements. In contrast, in developing countries the issue is more often sensitising members of the local communities to their responsibility toward their members, the climate and their natural environments. The role of supervisory authorities is key both in developed and developing countries, as they set indicators and increase transparency on how cooperatives contribute to sustainable development. The role of partnerships is also essential for CFIs as banking institutions.

These partnerships can also position CFIs for bringing together different sectors and stakeholders e.g., governments, farming organisations, international agencies, private sector and many others for building a common agenda for sustainable development. For the CFIs, this can further provide momentum to make visible their impact and their cooperative difference as sustainable development is now the new field of competition. Building cooperative alliances is crucially important for complying with the new requirements and sustainable policies, ensuring maximal transparency, and communicating on cooperative impact and values.



*Picture 3: ICBA side event at the World Cooperative Congress, Seoul, 30th November 2021. Mr Bhima Subrahmanyam, President, ICBA and Managing Director/CEO, NAFSCOB presenting Mr. Ariel Guarco, President, ICA the publications of ICBA: (i) Sustainable Development Goals & Objectives Contribution of Cooperative Banks; (ii) Regulation and Sustainability of Cooperative Banks: A cross Country Study; and (iii) Reports of Country Papers during ICBA events/meetings held in Seoul, Republic of Korea on 30th November 2021. Mr Ariel Guarco, President, ICA was Chief Guest to all the events of ICBA.*



## Sustainability reporting and communication of ICBA Members

The analysis of the ICBA members reports shows the differences in the approaches to reporting and communication on sustainable development.

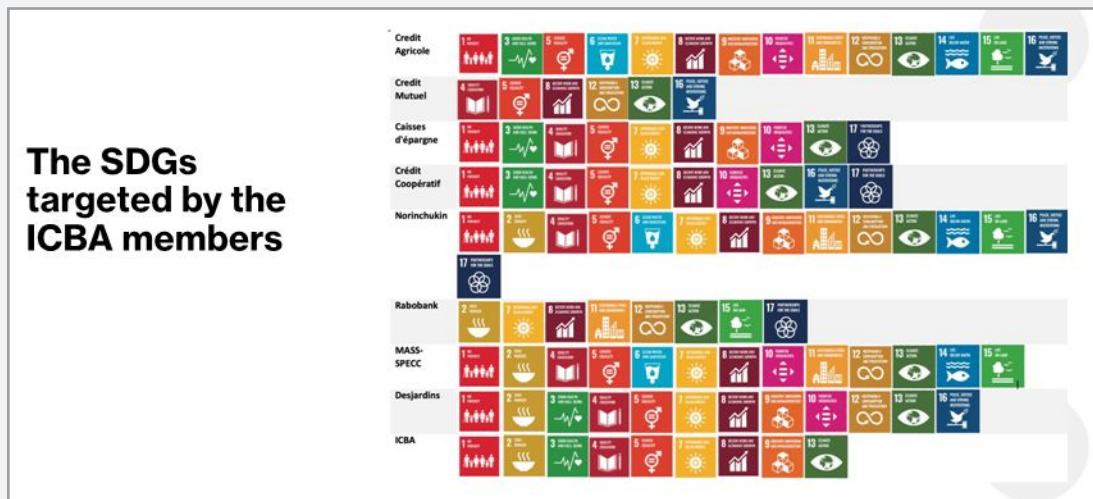


Figure 5: The SDGs targeted by the ICBA members

The eight banks with sustainability reporting systems are in France, Canada, Japan, the Netherlands and the Philippines. The reasons for engaging in sustainability reporting are both external and internal. For the European cooperative banks, sustainability reporting has become a mandatory disclosure practice required by national and EU-level regulators. They are required to report on market and societal trends, expectations from members but also other stakeholders, increasing communication and awareness on the SDG issues related to climate, gender equality, and other generalised reporting and disclosure practices. In other regions, sustainability reporting also becomes an increasingly important disclosure practice. As stated by the Norinchukin Bank in Japan (Norinchukin Sustainability Report, 2021, p.5):

‘Sustainability issues in the AFF [agriculture, forestry and fishing] industries become more grave with each passing year. The Norinchukin Bank recognizes that these issues go to the foundation of our businesses’. The Social and Cooperative Responsibility Report (2020) of Desjardins also makes it clear that they need to align their community support activities with the SDGs: ‘we help build sustainable communities across Canada and around the world by growing local economies, supporting businesses, creating good jobs, training directors and working towards the United Nations Sustainable Development Goals’ (p.77). Despite the increasing awareness sustainability disclosure, we could see that more than half of the ICBA members have not yet integrated the SDGs into their reporting and communication.<sup>16</sup>

<sup>16</sup> We searched the websites of the ICBA members with keywords: ‘SDG’, ‘sustainable development goals’, ‘sustainability’, and ‘sustainable’ translating into the languages of the ICBA members and using the automatic website translation function. If websites did not have the search function, the search was performed manually section by section. The first search was performed in October 2021 and the second search in December 2021 due to the changes in the list of the ICBA members that occurred in November 2021.

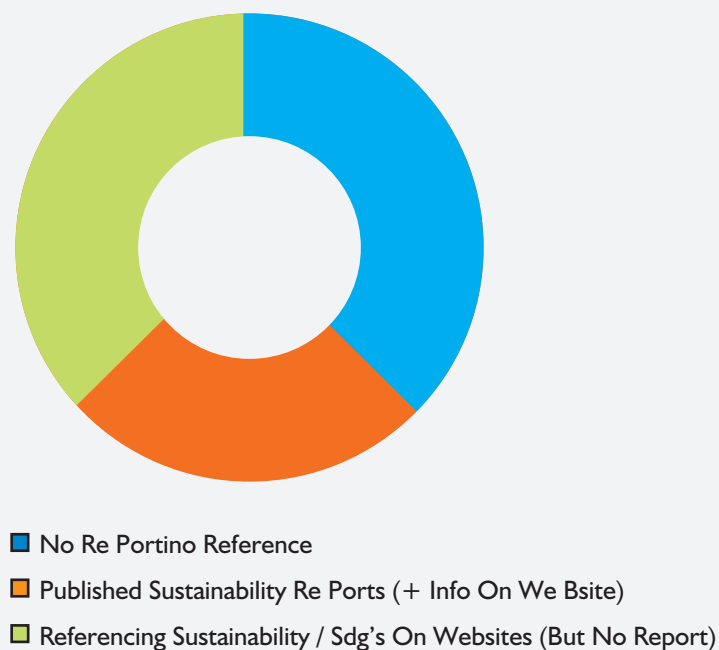


Figure 6: ICBA members and sustainability reporting

The interviews with the ICBA members further allowed us to reveal the challenges with reporting that are linked to the lack of knowledge, resources and capacity that are necessary to implement a system of sustainability reporting:

*'in one of our board meetings, we placed a subject on this, and we discussed these goals. We also identified which goals were more important to us, or where we can do something. And we requested member banks to make some plans at their level. (...) But unfortunately, as I said, how much we have done, how much impact we have created is not measured accurately. That is the main problem. I cannot give you any numbers beyond how many families we have financed, how many pump systems we have financed, how many farms we have developed. How it really contributed to these SDGs, that number I am unable to give you' (Interview 4).*

The Sustainability reports (2020-2021) of ICBA members show that there is no single approach to selecting the SDGs. Although the ICBA members share similar activities when they contribute to the SDGs, especially in the context of ESG reporting requirements in Europe, some prefer focusing on a few key SDGs. In contrast, others link their activities to all SDG areas. The choice belongs to the CFIs, although ICBA members admit that it can be challenging:

*'you can find cooperatives in almost all of them [...] we always have a lot of discussion every time we define a project, which SDGs to target. [...] we could write ten or so, or twelve. But it wouldn't be very meaningful. So we try to concentrate on the principle ones and derive the others from the principle ones' (Interview 10).*



## Enablers and Drivers of CFI contributions to the SDGs

A range of drivers and enablers represent conditions or factors that allow for cooperatives' contribution to the SDGs. Internal drivers are represented by the conditions or factors under CFIs control, while external enablers correspond to contextual factors that are beyond CFIs' immediate control (ICA, 2021).

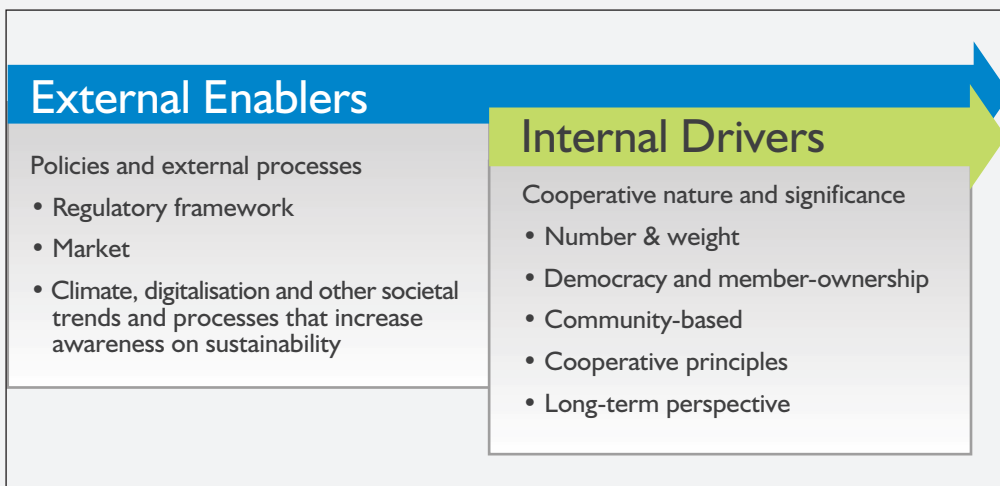


Figure 7: External enablers and Internal drivers of ICBA contributions to sustainable development

**Internal drivers** are represented by the factors related to CFIs' cooperative nature and their economic and social significance played in their respective sectors and national economies as well as their democratic governance model and member-ownership. Cooperatives are also driven by the fact that they are community-based organisations with principles and values that prioritise long-term commitment to sustainable development goals.

- **Number and weight:** The ICBA members refer to the number of members they serve as they represent the world's largest banks, such as *Crédit Agricole* with 10.9 million mutual shareholders<sup>17</sup> and *Desjardins* with 7.5 million members and clients<sup>18</sup>. Smaller-size CFIs also carry important weight within their local communities, often as the only source of financial resources. Therefore, their sustainability-oriented activities have a great impact on a large number of people, including

marginalised and vulnerable communities.

- **Democracy and member-ownership:** ICBA members during the interviews acknowledged that 'Democratic governance, contributions of members are an advantage for sustainable development' (Interview 12). Indeed, cooperative members are often represented by the poor, youth, women, minorities, and others who face challenges, lack of opportunity and exclusion and have been severely hit by the COVID-19 pandemic. CFIs allow these people to access credit and economic opportunities and engage decision-making processes that serve their interests. ICBA members say in interviews that CFIs are member-based and not profit-seeking institutions, which allows them to maintain their activities for the interest of the local communities without switching to more commercially advantageous areas and sectors.

17. *Crédit Agricole* (2021) Key figures, see: <https://www.credit-agricole.com/en/finance/finance/key-figures-credit-agricole-s.a#>, last consulted on 06.01.2021.

18. *Desjardins* website information: <https://www.desjardins.com/ca/about-us/desjardins/who-we-are/quick-facts/index.jsp>, last consulted on 06.01.2021.

- **Community-based:** Embeddedness in local communities is one of the defining characteristics of the CFIs as cooperatives are integrated in local economic tissues and have strong historical ties with their communities:

*‘Cooperative is really contributing to sustainable development. Part of the DNA of cooperatives is really helping growing the members and improving the lives of the members. And in doing so, they also grow their communities. So I think that is the value of SDG, you know, the contribution that ensures that communities are sustainable. And that is really the work of the cooperative. I don’t see any cooperative, even a very small one, that does not provide support to local government, or to local communities, they are really doing their part. And also, in a nutshell, it is part of who they are, who we are as a cooperative, so yes and the only thing is we need to put it in a data, really, we are contributing’ (Interview 3).*

- **Cooperative principles:** ICA principles and values all promote sustainable development, while the seventh principle of the ICA clearly states that cooperatives work for sustainable development of their members. The cooperative principles define CFIs as a value-based and people-centred business model and the ICBA members are aware of how the cooperative principles influence their everyday activities geared toward sustainable development:

*‘Cooperatives are the best suitable organizations for achieving the SDGs. Because cooperatives are business organizations with a difference. So this is done collectively, not [by an] individual. So whatever benefit is achieved from that business, it is going to be collective. It means it is going to be massive to the*

*people and not to the individuals and then it is bound to be sustainable’ (Interview 7).*

*‘they have to live up to the cooperative principles’ that promote sustainable development ‘as a business model it puts people above profit, you know. That privilege is people over capital, that certainly is a core advantage’ (Interview 10).*

- **Long-term perspective:** Sustainable development goals and the agenda to meet the needs of the present, as well as the needs of future generations, also corresponds to the long-term perspective of cooperative organisations:

*‘I think that when we work on these subjects in a mutualist group, it is the notion of a long time, that is to say, when we talk about the ecological transition of CSR, we change horizons, and we are in the bank, and therefore we change the horizon even more than in other sectors. You should know that the horizon of a risk department is, for example, one year up to three years. We are on horizons of at least 10 years, 20 years, 30 years, until 2050. And the fact of being in a cooperative and mutualist group, we have a little more this notion of a long time and no short-term profitability like in other banking groups’ (Interview 13).*

In addition to a range of internal factors that drive cooperatives’ contributions to sustainable development, several external factors enable and facilitate their sustainability-oriented action. External enablers for CFIs are factors related to regulatory incentives, market pressure and ongoing societal trends.



• **Regulatory:** While in some regions the regulator has become the main enabler of sustainability reporting, in other regions, policy-makers still need to sensitize businesses to the need for sustainable development:

*'A real dynamic of the texts, in particular at the European level, that also begins to arrive at the international level [...] Our supervisory authority at the [national] level asked financial institutions, banks and insurance companies in 2020 to carry out what is called a climate stress test. So the idea is to test the resilience of banks against a climate shock, for example, the increase in the carbon tax. There you have it, all that makes up a lot of parameters and to see how our portfolio of customers, let's say it like that, reacts to these climatic shocks [...] And then, at the European level, there will be the same exercise in 2022' (Interview 13).*

In the regions where CFIs are urged or required to report on their impact on sustainability, a new concern arises as to the challenges of discerning the cooperative difference. As discussed during the workshop on 18 November 2021, sustainable development became 'a new field of competition' where the risk of 'homogenisation' is present for CFIs provided that other banks also strongly report on sustainability reporting.

• **Market:** An important impetus for reporting and communicating the contributions toward sustainable development is the market pressure provided if the society as a whole expects businesses to disclose their sustainability-related practices. In a context in which sustainability has become a generalised practice for

the whole sector, CFIs also need to align with the conventions of their sector:

*'we are competing with other banks obviously. And we aim to adhere to the common principles of sustainability reporting in order to be comparable with other banks. When we touch upon the SDGs and illustrate what we are doing there, I think that at some point that mirrors actually our cooperative identity' (Interview 1).*

• **Climate, digitalisation and other sustainability issues** are among the societal trends that directly impact the fact that CFIs are increasingly involved in promoting sustainability. Climate finance is becoming an important area of CFIs' contributions to sustainability due to the CFI's capacity to leverage climate and environment-sensitive activities through finance, proximity to local communities and also connection with the agricultural and other key sectors that play an important role in reducing the negative effects of climate change:

*'Our roots [are] in the agricultural sector, which is also closely associated with climate change and farming and food' (Interview 1).*

### How do CFIs contribute to the SDGs?

Recent year trends such as extensive digitalisation of the banking sector, gender issues, the changing nature of work and other current issues also translate active involvement of the CFIs into sustainable development.



# How do CFIs contribute to the SDGs ?

The five areas of the ICBA members’ contributions to sustainable development goals are the social, economic, environmental and institutional dimensions of sustainability, as well as cooperative contributions that are centred on supporting their member communities. Below we present the type of activities and outputs under each of the sustainability dimensions relying on the information from ICBA members’ latest sustainability reports.<sup>19</sup>

<b>Social</b>
<ul style="list-style-type: none"> <li>• Supporting local communities</li> <li>• Promoting financial inclusion</li> <li>• Improving employee wellbeing and health</li> <li>• Investing in education</li> <li>• Advancing women and youth</li> </ul>
<b>Economic</b>
<ul style="list-style-type: none"> <li>• Providing access to finance               <ul style="list-style-type: none"> <li>- Supporting local economic development</li> <li>- Access to finance for SMEs, agricultural producers and vulnerable social groups</li> </ul> </li> <li>• Creating jobs and promoting decent work</li> </ul>
<b>Environmental</b>
<ul style="list-style-type: none"> <li>• Engaging in green and sustainable finance</li> <li>• Reducing environmental footprint</li> </ul>
<b>Institutional</b>
<ul style="list-style-type: none"> <li>• Integrating environment and climate issues in business strategies and policies</li> <li>• Building partnerships</li> </ul>
<b>Cooperative</b>
<ul style="list-style-type: none"> <li>• Serving member needs</li> <li>• Promoting cooperative values and principles</li> <li>• Coop-to-coop cooperation</li> </ul>

Figure 8: How do ICBA members contribute to sustainable development?

<sup>19</sup>. Reports in French were translated to English by the authors through automated translation tools



## Social

Contribution to the social dimension of sustainability was emphasised by the capacity of the ICBA members in different regions of the world to support local communities, promote financial inclusion, improve employee well-being and health, invest in education and advance women and youth.

- **Supporting local communities:** Sustainability reporting of the ICBA members reveals a wide range of activities that included support for non-profits, but also direct support to community development projects that help build a sustainable, responsible economy through donations, sponsorships, including philanthropic partnerships and scholarships. ICBA members were also active in offering relief measures during the pandemic, such as mobilising their employees for multiple activities aimed at bringing relief to the most vulnerable in their neighbourhoods.

*'Everything we are talking about, all the development, our commitments to sustainable development, (...) financial products, everything we do are aimed at achieving this ambition: to be first in people's hearts. (...) people expect [the institution] to be a good environmental citizen, and a positive and concrete impact in terms of sustainable development. (...) even if managers decide that sustainable development is not a priority, it won't work because members expect us to be active in sustainable development' (Interview 9).*

### Output examples:

- 'In 2019, Rabobank Foundation and local Rabobanks in the Netherlands supported a total of 28,006 social initiatives, including 182 new local cooperatives in renewable energy, local partnerships in healthcare and fibre optic internet' (Rabobank, 2019, p.5);
- 3.1 million of societal commitment for foundations, mecenat and partnerships, including the Crédit Coopératif Foundation that supported

in 2020 at total of 39 new projects through national partnerships and 59 local initiatives awarded the SSE Inspiration Prizes (Crédit Coopératif, 2020);

- 'In 2020, 22.7 M Euros invested in the local territories, making it possible to support 1,237 projects of general interest' (Caissesd'Épargne, 2021, p.78).
- **Financial inclusion:** The ICBA members give underprivileged populations around the world access to diversified, secure financial services that meet their needs, promote financial literacy, use an 'inclusive finance approach' and 'promote responsible finance'. They contribute to reducing poverty and create a positive impact on the agricultural, food and other industries and local communities. They also make finance more affordable by 'lowering the mortgage rate for sustainable homes', offering 'client discounts on energy contracts for locally sourced renewable energy' and other means.

### Output examples:

- 'In 2020, we provided \$3.5 million to Quebec and Ontario businesses by granting up to \$10,000 in non-repayable funding to 570 businesses to support their projects' (Desjardins, 2020, p.74).
- **Improving employee wellbeing and health:** Another area where CFIs' contribute significantly to the SDGs is improving the quality of life at work for employees by ensuring 'healthy lifestyles and wellbeing for our employees and their families through our pension plans, group insurance plans and other initiatives, like access to telemedicine' (Desjardins, 2020, p.10), and 'implementing measures to combat stereotypes, sexism and harassment' (Crédit Coopératif, 2020, p.63). CFIs extensively invest in employee training encouraging them to develop their skills and pursue continuing education opportunities, launching policies and programmes that support employee education and talent development.

### Output examples:

- Percentage of employees trained: 95.6%; Total number of hours devoted to employee training: 2,190,204 (Crédit Mutuel, 2020, p.46);
- In 2020, financial contributions of federation, caisse, component and Community Development Funds, donations and sponsorships for Health & Healthy living reached 11.1 \$ millions (Desjardins, 2020, p. 22);
- 'In July 2019, MASS-SPECC launched the "Yaman ang Kalusugan Program"(YAKAP) 2019 as a unified healthcare service of the federation. The program is a concrete intervention to offer quality, yet affordable health insurance policies to all members of its affiliates' (MASS-SPECC, 2021).

• **Investing in education:** CFIs' support of education is directed to support the youth of their member communities 'helping young people stay in school and succeed academically' and supporting 'educational initiatives that encourage young people to become entrepreneurs and promote sustainable development and sustainable lifestyles' (Desjardins, 2020, p.11). CFI initiatives also directly support the professional education of their member communities over a range of sectoral topics from 'food and farming education to environmental education to financial and economic education' (Norinchukin, 2021, p.35). These training programmes also include management and governance topics to empower member communities and train their elected officials in the exercise of their mandate by providing them with the knowledge necessary for their mission.

### Output examples:

- Support to AgrÉcoles in schools across the province so that children can learn more about food production process and become advocates for the environment (Desjardins, 2020, p. 72).
- **Advancing women and youth:** CFIs commit to increasing the proportion of women in governance structures 'to reduce gender inequalities with equal pay at hiring and the elimination of pay gaps, via the agreement on professional equality' (Crédit Coopératif, 2020, p.63). They recognise diversity and inclusion as major factors in the overall success of our cooperative group and help youth supporting their access to education as well as entrepreneurial initiatives. Interview results confirm the reported commitments of ICBA members insofar as they advance women by prioritizing gender equality in their strategies:

*'We have quantified ambitions to bring more women to boards of directors, to management positions, also to ensure that the offer of services meet the needs of women, on all levels, equality of people is very important' (Interview 9).*

### Output examples:

- We've committed to investing \$50 million every year to support initiatives that benefit thousands of young people ages 6 to 30, and up to 35 for young entrepreneurs, across Quebec and Ontario (Desjardins, 2020, p.11).



## Economic

The two main areas of economic impact of the ICBA members are related to their core activities: providing access to finance and creating jobs and decent work. In providing access to finances, ICBA members emphasise two areas of their impact: supporting their communities and thus, the local economic development and providing access to finance for the small and medium enterprises (SMEs), agricultural producers and other vulnerable social groups that in many countries still remain the bulk of member-users of cooperative credit institutions.

- **Access to finance** is the key area of the CFI on which they report and communicate on their SDG-related activities. The ICBA members provide access to finance differently than other financial institutions as their products and services are geared toward (i) supporting their local communities and (ii) socially and economically vulnerable groups.

(i) Supporting local economic development: Because CFIs are anchored in their member communities, they benefit from proximity and locality to support business activities aimed at empowering local

communities, creating and keeping local jobs to 'keep home grown businesses from leaving' (Desjardins, 2020, p.77). They also offer products and services tailored to individual and community needs, playing 'a key role in the transformation of territories and the local economy' (Crédit Agricole, 2020, p.10). In fact, from their sustainability reports, we can infer that they have a strong impact on the development of the regions where they operate as they revitalize the regions and reduce social inequalities and 'encourage buying local, [to] show [their] commitment to entrepreneurship and help maintain and create jobs in regions' (Desjardins, 2020, p.76).

### Output examples:

- 'In 2020, we purchased \$2 billion in products and services from 2,080 suppliers, most of which are based in Canada' (Desjardins, 2020, p. 81);
- In 2020, 76% of purchases are from local suppliers (Caissesd' Épargne, 2021, p.78);
- Crédit Agricole S.A. issued on 1st December 2020 an inaugural social bond of 1 billion euros to support local, sustainable and inclusive growth in the regions (Crédit Agricole, 2020, p.38).

(ii) Supporting SMEs, agricultural producers and vulnerable social groups: The ICBA members play a significant role in financing vulnerable economic and social categories as they ‘give underprivileged populations around the world access to diversified, secure financial services that meet their needs’ (Desjardins, 2020, p.10). Originating in local communities, many ICBA members still have historical ties with the SMEs, agricultural producers and other social groups that have difficult access to credit and financial services. ICBA members offer support for the agricultural sector that contributes directly to improving food security, as well as credit for social housing, micro-credits and access to finance in economically disadvantaged areas. They prevent over-indebtedness, while their support has been particularly important during the COVID-19 pandemic as the low-income brackets were heavily affected by the pandemic:

*‘generally, our members are not the very rich people in the society. Very rich people do not need cooperatives. They [...] are sustainable on their own. But very poor people form the cooperatives. So, if you are talking about poverty elimination etc., only cooperatives are doing something. Because other kinds of institutions are not, it’s not a priority for them’ (Interview 4).*

#### **Output examples:**

- Crédit Agricole is the leading banking partner for companies supported by the Initiative France association with a 33% market share. ‘The profiles of people supported include 11,800 job seekers, 8,000 women, 3,600 rural revitalization zones and 758 priority neighbourhoods’ (Crédit Agricole, 2020, p.50);
- Rabobank is financing EUR 107 billion in the

Food & Agriculture sector, a contribution that helps to boost the world’s food supply (Rabobank, 2019, p.4);

- ‘Iligan City Government Employees Multi-Purpose Cooperative (ICGEMPC) came up with a credit program that aims to provide livelihood assistance to 450 poor families in Iligan City - The Going Extra-Mile For The Unbankable Poor (GEM-UP)’ (MASS-SPECC, 2021).

#### **• Promoting inclusive jobs and decent work:**

ICBA members report that they create inclusive jobs as they provide stable jobs to people with disabilities, employ young people, women and other social groups in urban and rural areas. In their sustainability reports, they measure the inclusiveness of the hiring process through establishing indicators on a number of women in decision-making examples, calculating the share of persons with disabilities and others. Their contribution to decent work also involves promoting non-discrimination practices and launching initiatives that tackle quality education, gender equality, decent work, and economic growth.

#### **Output examples:**

- ‘74% of the employees are satisfied with their work, 87% appreciate the culture and values of the company’ (Groupe Crédit Coopératif, 2020, p.69);
- ‘In 2020, 7,265 jobs created thanks to the microcredit’(Caissesd’ Épargne, 2021, p.78);
- ‘The group wants to be a major player in the economic life of its territories. Thus, with its national partners: Adie, Initiative France and France Active, it plays an important role in the sustainability of employment’ (Crédit Mutuel, 2021, p.35).

## Environmental

• **Engaging in green and sustainable finance** by financing and investing in the projects that promote sustainable development. The ICBA members report on a large number of initiatives aimed to support renewable energy projects, ‘financing of renewable energy generation through wind, solar, biomass and geothermal projects’ and offering ‘client discounts on energy contracts for locally sourced renewable energy’ (Rabobank, 2019, p.4). They finance circular economy models and sustainability modifications, as well as sustainable housing which lowers the mortgage rate for sustainable homes. They also issue ‘green bonds’ (Crédit Agricole, 2020, p.38) and engage in socially responsible investing, excluding investments in fossil energy. They produce a significant effect by providing impact loans to socially responsible businesses, as well as developing criteria for new investments to avoid environmental degradation. These initiatives included the Rabo Groendepot (Green Construction Deposit), in which money can be reserved for energy-saving measures for homes, informing members about circular economy practices and helping clients through Circular Business Desk (Rabobank, 2019) and Caisses Desjardin’s support to the agricultural cooperative in Quebec which is entirely dedicated to producing renewable energy from biomass or investing in setting up a circular economy lab with the *École de technologie supérieure de Montréal* (Desjardins, 2020).

### Output examples:

- ‘Together with partners we set up the AGRI 3 USD 1 billion fund, aimed at accelerating forest protection, reforestation and sustainable agriculture on a large scale’ (Rabobank, 2019, p.4);
- ‘In 2019, we accounted for EUR 4.1 billion in 2019 through project finances in investments in sustainable energy generation, especially in wind and solar projects, but also biomass and geothermal energy’ (Rabobank, 2019, p.4);
- ‘The Renewable Energy Dialogue Platform, developed by the German DGRV from 2018 to 2020, aims to promote the development of renewable energy sources and the development of renewable energies in several countries (Brazil,

Chile, Ecuador, Mexico, Myanmar and Mozambique)’ (ICBA, 2019, p.28).

• **Reducing environmental footprint:** Aware of the impact that banking institutions can have in advancing a low-carbon economy, financial cooperatives encourage their members, clients, suppliers, employees and other stakeholders to adopt responsible consumption and production methods throughout their activities. The ICBA members report on the reduction of their own operations and activities by responsible consumption and production methods, ‘educing energy consumption, development of green energy, responsible purchasing, training employees, directors, young people and their families about environmental, social and governance (ESG) issues. They have developed metrics regarding water consumption (m<sup>3</sup>); total energy consumption (kWh); overall paper consumption (tonnes); recycled paper consumption; GHG emissions; the greenhouse gas impact of the cooperative bank (kt of CO<sub>2</sub> equivalent), and other.

### Output examples:

- ‘Alabel Government Employees and People’s Multi-Purpose Cooperative (ALGEMPC) initiated the Zero Open Defecation Project. With this initiative and partnership with the local government of Alabel and the World Bank, three barangays in Alabel — Paraiso, Alegria, and Baluntay — were able to have over 250 new sanitary toilets’ (MASS-SPECC, 2021);
- For 2020, reported a carbon footprint: (t CO<sub>2</sub> /M loans) of 256.6 and a total carbon emissions for a portfolio (total emissions/total revenue) of 209.3 Crédit Mutuel (2021);
- The annual publication of the carbon footprint; Plan for Waste reduction and resource consumption; Plan for company travel for 2018-2022 to promote soft mobility (Crédit Coopératif, 2020); 17% less of greenhouse gas (GHG) emissions in 5 years; 19% reduction of average energy consumption in 2020 (Crédit Coopératif, 2020).

## Institutional

• **Integrating environment and climate issues in business strategies and policies:** CFIs report on their managerial practices aimed at aligning sustainability issues in their everyday business practices, developing tools and indicators and disclosing their activities. They also commit to and support international, national, sectoral policies to reduce greenhouse gas emissions. ICBA members integrate sustainability practices and ethical behaviour in the areas of financial security, client relations, conflict management, market information, data protection, anti-corruption, responsible procurement, fair practices in marketing, information and contracts and responsible procurement. They integrate ESG criteria into investment and asset management policies and develop climate indicators, defining current and potential risks and opportunities related to climate change. Another important area for cooperative banking institutions is anti-fraud, corruption, money laundering, crisis management and security alert that require 'robust programs and effective strategies to fight financial crime, money laundering and terrorist financing. They implement these measures in dialogue with stakeholders, the participation of members in governance, and collaborative decision-making work methods. They receive endorsements from their members, customers and employees, as well as receive certification from independent third parties and regulatory reporting. Although it is hard to differentiate cooperative difference in the area of the institutional dimension of sustainability, the ICBA members' sustainability efforts have been widely recognised: Desjardins in 2020 became a role model for responsible procurement according to Quebec's Ministry of Economy and Innovation; while Crédit Mutuel's sustainability reporting obtained the highest 'advanced' score of the Global Compact in 2020<sup>20</sup>.

### Output examples:

- Crédit Agricole has set up FReD, an internal system for disseminating ESG culture and its measurement. 'Each year, the FReD index measures the progress made project by project, by calculating the change in the rating between years N and N-1 for each entity'. (Crédit Agricole, 2020, p. 33);
- 'Through the 14 KPIs, we have fully embedded Rabobank's sustainability ambitions in our strategy. They form an integral part of the management cycle' (Rabobank, 2019, p.14).

• **Building partnerships:** CFIs in many countries evolved from small-scale local financial institutions into large banking holdings that have well-established ties not only with their member communities and customers but also with governments, international organisations and sectoral organisations. These partnerships make them an increasingly important actor of international development, where they provide financial support to national and international projects and initiatives that produce a positive sustainability impact. For example, Rabobank in the Netherlands established partnerships with the UN Environment, World Wide Fund for Nature (WWF) and the World Business Council on Sustainable Development (WBCSD) to promote agriculture and food sustainable value chains at the global level.

### Output examples:

- 'We also issued a USD 1 billion facility (including the AGR13 Fund we launched) aimed at restoring degraded lands worldwide in collaboration with UN Environment' (Rabobank, 2019, p.3).

20. See Crédit Mutuel website: <https://www.creditmutuel.fr/cmo/fr/groupe/prix-et-recompenses/global-compact/index.html>

## Cooperative

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Increased global awareness of sustainability is an opportunity for cooperatives to affirm their cooperative identity and demonstrate the difference their cooperative nature makes by building on their member-based, community-led structure, governance model and value-based approach to business. Some of the ICBA members' reports have a separate 'cooperative' section in their sustainability reporting where they communicate specifically on their member-related and community-oriented action. In terms of SDGs, the ICBA members communicate on how they integrate sustainability in their strategic plans and every day activities by serving members' needs, enhancing coop-to-coop cooperation and promoting cooperative values and principles.

- **Serving member needs:** CFIs serve their members' needs through credit and financial services but also by their ability to reach out and empower large numbers of people all over the world as they build strong links with their member communities. Through this close local-to-global interaction, they establish a close and open dialogue between members and their cooperative, giving back to members through member dividends and 'promoting the values of societal commitment because of proximity to the territories.

### Output examples:

- '\$317 million was given back to members, 2.1

million individual members received a volume dividend based in part on their insurance premiums, and 95,000 more young people received member dividends than the year before' (Desjardins, 2020, p. 18);

- In 2020, 49,1% of collaborators are also members, while 13% of new clients became member (Caisses d'Épargne, 2021).

- **Promoting cooperative values and principles:** CFIs often highlight the differences that their cooperative model has from the investor-owned companies by emphasising the fact that they are value-based institutions. They also develop indicators that demonstrate and allow measuring progress in preserving cooperative principles. Crédit Mutuel, for example, measures the number of elected officials trained and the length of training and the progression rate of the membership as well as progression, assessing diversity of directors, the participation rate in general meetings and participation in the local ecosystems.

*'Because in cooperatives, nobody is less than others. Everybody's equal involvement, and they actually involve in the organization, at least they have the right to, you know, involve, and nobody prevents them'* (Interview 4).

### Output examples:

- 'For over 40 years, the Alphonse Desjardins Historical Society has been finding and creating content and works to showcase our history. The society also manages Desjardins' historical archives' (Desjardins, 2020, p.20).

- **Coop-to-coop cooperation:** CFIs enable local coop-to-coop cooperation through their support to social economy cooperatives, mutuals and organizations, as well as international coop-to-coop partnerships in which they share their expertise with cooperatives from developing countries. ICBA members provided support to agricultural and financial sectors, actively partnering with local cooperative banks in developing countries, giving underprivileged populations around the world access to diversified, secure financial services that meet their needs. Some of the ICBA members have arms dedicated to international cooperation, such as the *Development*

*International Desjardins*, which has been sharing its expertise in over 65 countries since 1970. They also collaborate with other cooperative groups, joining sectoral platforms of the EACB (European Association of Cooperative) Banks), ESBG (European Savings and Retail Banking Group), the WSBI (World Savings and Retail Banking Institute), World Credit Union Council and many others.

### Output examples:

- Rabobank Foundation Employee Fund, Rabobank Chile started a social project with a community in an isolated part of southern Chile (Rabobank, 2019, p.5);
- 'Financing desalination and sewage treatment projects. Total lending: ¥117.3 billion, We provide financing for water treatment projects (e.g., power generation, seawater desalination, sewage treatment) in Australia and the Middle East' (Norinchukin, 2021, p.44).



## Sustainability reporting: Opportunities and challenges

Many opportunities are associated with CFIs' reporting and communicating on sustainability, such as the opportunity to improve transparency and service to member communities, greater contribution to the global common good, an opportunity to showcase the sustainable nature of cooperatives and their consistency with cooperative principles and values. However, the process of reporting also involves challenges.

The interviews with the ICBA members revealed that they are mostly related to measuring and collecting data, but also showcasing the 'cooperative' element and obtaining endorsements from all internal stakeholders. A reporting system for communicating on the SDG progress also requires financial and human resources, while the returns from such disclosures are not yet clear for many, especially in developing countries.

**Measuring and identifying indicators**

*'how much we have done, how much impact we have created is not measured accurately. That is the main problem. I can not give you any numbers beyond how many families we have financed, how many pump systems we have financed, how many farms we have developed. How it really contributed to these SDGs, that I number am unable to give you' (Interview 4).*

*'how do we manage to develop a metric for measuring our impact on the climate? [...] how in our tools, we manage to trace what is green, what is not, and finally capture information also from our customers. [...] how do we insert the CSR and climate dimension? [...] How do we manage both to measure our impact and then to make it concrete in our tools? [...] we identified 13 projects which are themselves divided into three main themes, so half of the projects relate to the climate. And so, it's a choice we make. [...] the idea will be to apply what we have worked on the climate, on other pillars - social, societal, governance that are the other pillars of CSR' (Interview 13).*

**Collecting Data**

*'There are a lot of things they are doing, but they are not really keen on submitting reports, document reports, so that's really our problem' (Interview 3).*

*'Accurate figures are not available at any time' (Interview 4).*

*'we have a reporting system. But my reporting system, I am telling you, it is not a very perfect one' (Interview 4).*

*'the idea is really to develop measurement tools that are both relevant and tangible. Knowing that we have one of the characteristics, it is that we are a retail bank (...) we have not managed to date to collect a lot of information on our customers are mainly individuals, average height. At the root of our problems or our challenge in matter is how I collect information' (Interview 13).*

**Showcasing the cooperative 'element'**

*'how can we prove a specific cooperative element there (...) Because if we look around it is also, other companies can be also more socially responsible' (Interview 11).*

*'I think it's important that the international cooperative community, financial community, tries to show the distinction and the difference. And that can be done with some reporting' (Interview 5).*

**Awareness and endorsement**

*'it's not that everybody is well aware of SDGs' (Interview 10).*

*'How do I get the executive directors on board or not on these issues and the employees as well?' (Interview 13).*

Table 5: Challenges with sustainability reporting



### III. ICBA Members: Challenges, Expectations and Recommendations

The interviews with the ICBA members uncover a range of common issues faced by CFIs in different regions. This section presents some of these challenges as well as expectations of the members for the ICBA's future strategic priorities and activities.

#### What are ICBA members' main challenges today?

ICBA members represent a diverse range of institutions spread all over the world. While they are bound together by cooperative business and governance principles, they are also concerned about the following common issues:

- **Competition with banks and fintech:** Increased digitalisation of the financial services, increases pressure on CFIs relations with their member communities. ICBA members share that a growing number of their customers engage with their financial institutions exclusively online, which requires a regulatory ecosystem that allows financial cooperatives to thrive:

*'So if we are entering a market space where in-person relationships don't matter much, then cooperatives are going, I think, will have a harder time competing. Also, fintech requires a huge amount of capital to continue the research and development to, you know, stay at a cutting edge. And in many times cooperatives, they are in a disadvantage in accumulating capital for those kinds of purposes' (Interview 5).*

This issue is also challenging for developing countries, where the digitalisation of financial services also undermines historical ties and proximity with member communities, especially in rural areas. In India, for example, it also contributes to the shrinking of

cooperative credit share in rural areas.

- **Preserving the cooperative difference:** Differentiating cooperative's financial services from the ones offered by investor-owned institutions is even more important in the context of sustainability reporting and communication as non-cooperative financial institutions also communicate actively on their contributions to sustainable development. In this context, the challenge is to:

*'show in a credible way that financial cooperatives are a better solution, to the challenges we face, particularly climate, inequality' (Interview 5).*

*'That is why created the movement vision, all members enjoy better quality. Because that mandate, because of that advocacy we want to pursue in the coming years. The cooperative will not just be us looking at growing their enterprise, but also really growing the members. So I think all our initiatives are aligned to that, to that direction, that mandate. And this is where we want to go. From preserving the cooperative identity to improving the operation, aligned to that vision of improving the lives of the members. And that is how we want to go in the next fifty years' (Interview 3).*

- **COVID-19:** The poorest and the most vulnerable were the most hit by the pandemic, and it also impacted the banking institutions that serve their needs. In low-income countries, the pandemic led to the contraction of CFIs' activities:

*'Actually we have stopped the expansion. Because of Corona, the last two years we are not doing any expansion' (Interview 8).*



• **Regulatory issues:** The relations of cooperatives with CFIs differ from country to country:

*'in most of the countries governments are a little bit indifferent. They are pro-cooperative where it convenes, where it suits the government, and they are anti-cooperative or indifferent where it doesn't convene. In some countries they have tax advantages, in others they don't. In some countries they pay taxes, in others they don't, or they pay a reduced rate. Also that is very different from country to country' (Interview 10).*

**ICBA members are also preoccupied with increasingly strict regulatory guidelines for banking institutions that are particularly demanding for cooperatives and smaller size institutions:**

*'Presently we are under very strict regulatory guidelines. And previously we have like quite, we have a freedom like approach. But nowadays we have very tough regulation, we can say. Or very regulated. So even we cannot expand a clear pathway to whether we can open the branch or not' (Interview 8).*

*'regulatory challenge because it's getting more, more, more ... and more densely regulated and that will be, we'll see also consolidation processes for the smaller ones, or smaller banks increasingly disappearing' (Interview 11).*

**CFIs also deal with different regulatory contexts in terms of sustainability reporting that is also represents a challenge for showcasing appropriately the cooperative difference:**

*'We are getting at the EU level very ambitious goals in many ways. And also regulation, and I mean by the way also in sustainable corporate governance. So we have to first see that and find the role of the cooperative banks here in this context' (Interview 11).*

*'How do I translate that into concrete terms, anything that has a regulatory issue? What are the impacts on our different businesses? And then, the integration of subjects in all our daily management' (Interview 13)*

*'Of course, reporting, at the same time, to the government, because that is the only way that we can transform the transparency of our data and information' (Interview 2).*



## Expectations and Recommendations

Conversations with ICBA members helped us to identify five key areas of expectations from the ICBA. One, enhancing coop-to-coop cooperation by providing financial support, technology sharing and amplifying business partnerships between cooperatives from different countries and sectors. Two, preserving the cooperative difference of CFIs in the context of intensified societal transformations that also require cooperatives to strengthen their shared narratives on their cooperative identity. Three, sharing knowledge

and information is considered to be another key area where the ICBA could take the lead as a platform for its members from different regions of the world. Four, the ICBA is also expected to become a hub for addressing the SDGs jointly, providing guidance on sustainability reporting, as well as on policy and regulatory issues such as supporting its members with research and evidence. Five, supporting with policy advocacy at international level, generating evidence and information on regulatory issues.

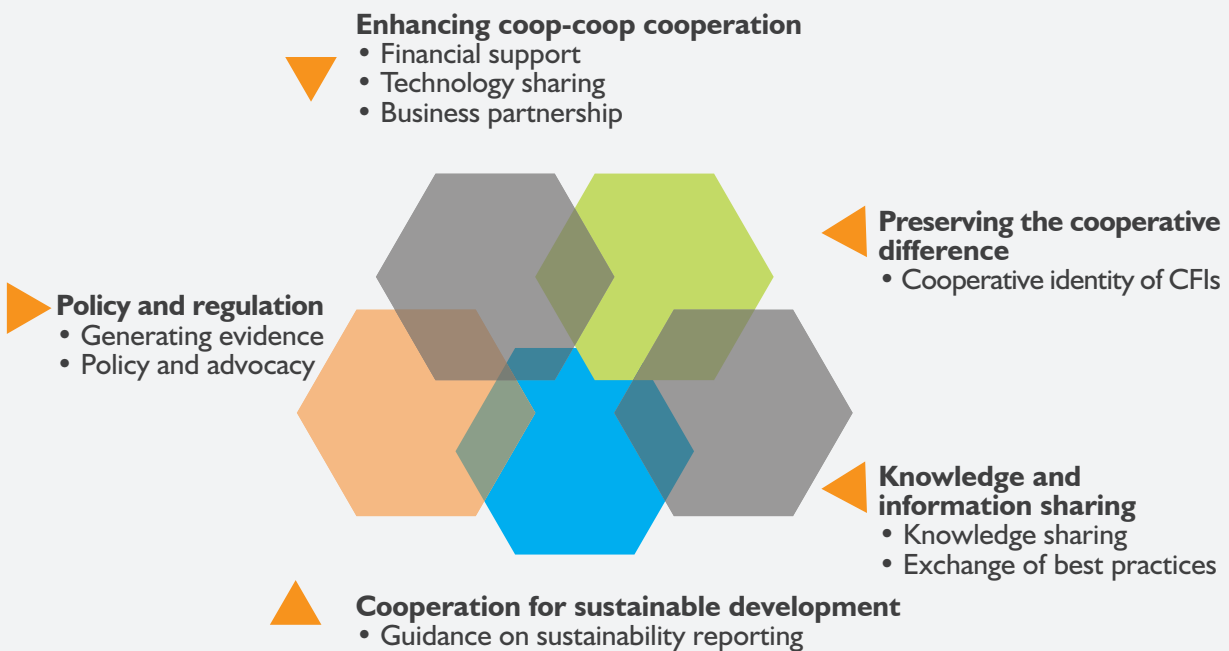


Figure 9: What do members expect from ICBA?

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• **Enhance coop-coop cooperation:** The areas where the ICBA — as an umbrella organization — could play an important role are the following:

(i) Financial support, which is particularly expected in developing countries along North-South cooperation as it would allow the member communities of the CFIs to benefit from greater access to resources, technical assistance and financial cooperation with the CFIs in other regions;

(ii) Technology sharing is another area where CFIs see the potential for international collaboration as 'ICBA can [offer] a synchronized approach to all participating countries and all cooperatives in different countries, particularly on electronics, full digitalization on banking servicing' as

*'some of the members of ICBA are already advanced in terms of technology implementation. So we are looking to have that connection and really helping us with come up with our own digital platform that will interconnect [...] that is the primary purpose why we engaged with ICBA (...) maybe ICBA can replicate this technology in order to guide all the cooperatives in different countries using the same methodology of data hosting' (Interview 2);*

(iii) Business partnerships which include ideas for collaboration from purchasing agricultural inputs, pharmaceutical products and acquiring rice mill equipment to projects of rural electrification for villages.

• **Upholding cooperative difference:** As the ICBA members in many parts of the world continue to face challenges preserving and advancing their cooperative difference, they expect the ICBA to support their arguments with evidence and communication:

*'That we are different, we are financial cooperatives, with members, we take care of our communities, we helped our members through the Covid crisis' (Interview 1).*

The CFIs question the role of cooperative banks in the changing environment, including how the cooperative model ensures that no one is left behind in the process of sustainable development.

• **Research:** The ICBA members emphasise the importance of research that should be built on evidence. These activities can include empirical studies relying on hard data, but also case studies, working papers on recent policies and new developments that are relevant for CFIs as well as on CFI development itself in order to contribute to better knowledge and visibility of the ICBA members. These studies could compare CFIs from different countries and regions, their characteristics, members, assets, areas, strategies and SDG policies so that the evaluation is based not solely on financial performance but also on a range of things with an opportunity to state the progress:

*'Are cooperative banks different animals in the banking zoo compared to all the other banks... in terms of loan*

*growth, deposit growth, tier-1 ratio, commercial member development, the basics. And would be very interesting of course if you could expand this to the world. To the countries where all the members of the ICBA are located, to see whether that also... on a more global scale. [...] every cooperative operates in a different system, with a different background, different economy, so perhaps we can learn from each other in terms of governance, but the environments are completely different. So could also be interesting to have something on behalf of the ICBA [...] That means data collection, and then you can really show, or not, whether the ICBA members are really different in financial terms... again, that's not the entire picture, but people need proof. So perhaps that's an idea, that the ICBA could set up such a thing' (Interview 1).*

*'as the ICBA covers all the continents while being covered by continents - it also seems to me such an interesting action because like that, everyone could see a state of progress of others in the matter. Accompany a study on the regulatory framework that goes with it. [...] make the connection that there is a legal committee that exists within ICA. Make the legal link for whom this light is there. Because in fact, if we follow, we separate the two, there is no, at least internationally, that's essential. So you really need to know the context in which the context in which they can act, in which the banks can act or must act. And then, next to the actions carried out on time, the broad outlines, it seems very interesting' (Interview 13).*

• **Best practices and knowledge sharing** is one of the most important expectations of ICBA members as they are in different regions of the world. The ICBA could serve as a platform to share regional experiences, banking and cooperative expertise, and best practices on developments in the areas such as financial regulations, environmental requirements, ESG practices and regional experiences. The exchange of best practices is essential during pandemic times that require novel approaches in terms of health measures, hybrid working, resumption of activities and international travel as immediate concerns; while a regular benchmarking and exchanging on CFI practices would also be helpful in establishing virtual communication, organising conferences and sharing North-South good practices. The ICBA could centralise the communication of its members on topics of common interest through its website, conferences, training, study tours and other means.

*'We apply for a membership for this group because we want to learn more about what is the best practices all over the world. And these best practices can benefit or can provide some insights how improve our services in relation to banking, for example, in relation to savings and credit operations. So, I mean, this is primarily why we became a member of the ICBA. We are looking for work to engage with ICBA in relation to, you know, providing us more knowledge base or more information about what's best practices, [on] how can we connect with other cooperatives all over the world'* (Interview 3).

• **Cooperation for sustainable development:** Member CFIs look for an opportunity to address jointly the SDGs developing common measures and strategies while demonstrating the cooperative difference and its sustainable nature:

*'whatever SDGs we want to achieve, it cannot be achieved without collaboration, the SDG number 17. We need SDG collaboration and networking and partnership. So of course, ICBA institutions can exchange partnership with the cooperatives. And then they have access to funding, so they can use that funds, or give access to cooperatives to give you those funds. So this*

*is two major advantages ICBA is having as an organization'* (Interview 7).

The ICBA could consolidate information and develop guidance on sustainability reporting:

*'if ICBA can give some guidance how we can really, one kind of methodology we can use to measure the impacts, that would be better'* (Interview 4).

Although sustainability reporting is mandatory in many countries, questions remain as cooperatives also need to develop their stance on how they contribute to sustainability and what their value-added is. The ICBA, which benefits from its international positioning and access to global policy platforms, international cooperative community, and other financial institutions, can help develop the conceptual grounding that emphasises cooperative difference. Members expect the ICBA to support practical tools that include system to organize, the measurements of the cooperatives' contribution to the SDGs.

• **Policy advocacy:** Although CFIs belong to different national and regional regulatory contexts, sharing and exchanging are important for ICBA members. Being cooperative organisations, CFIs face challenges linked to their business model and therefore interested in learning about the legal frameworks in their countries. The ICBA platform could also allow the direct exchange on existing and new regulations with policy-makers and regulatory authorities.

*'ICBA, if they come out very strongly with examples in other countries and also case studies of other countries, probably we may be able to influence the policies of the government'* (Interview 4).

*'The ICBA has the power that a small cooperative will not have to connect the key players in the sector, that can be interesting too'* (Interview 9).

*'Advocacy, particularly for the cooperative banking model. [...] A big part of the job is always to explain what a cooperative is, and to raise the particularities and the differences'* (Interview 11).



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## Annexes

### *Annex I: Available information on contributions to sustainable development of ICBA members*

Institution name	Published annual reports	Website information
Co-operative Bank of Kenya Ltd (CBK)	Yes	Yes
National Cooperative Bank (NCB) (Represented by National Cooperative Business Association CLUSA International (NCBA CLUSA))	Yes	Yes
Instituto Movilizador De Fondos Cooperativos, Cooperativa Ltda. (IMFC)	No	Yes
COOPEUCH Ltda. Cooperativa de Ahorro y Crédito	Yes	No
Cooperativa Universitaria Ltda.	No	No
ACAC (Represented by Confederación Uruguaya de Entidades Cooperativas (CUDECOOP))	No	Yes
The Norinchukin Bank	Yes	Yes
National Co-operative Agriculture & Rural Development Banks' Federation Ltd. (NAFCARD)	Yes	Yes
National Co-operative Union of India (NCUI)	Yes	Yes
National Federation of State Co-operative Banks Ltd. (NAFSCOB)	No	Yes
SANASA Federation Ltd in Sri Lanka	No	Yes
Sri Lanka Consumer Cooperative Societies Federation Ltd. (COOPFED)	No	No
Malaysian National Cooperative Movement (ANGKASA)	No	Yes
Association of Asian Confederations of Credit Unions (ACCU)	Yes	Yes
Cyprus Turkish Co-operative Central Bank Ltd. (KoopBank)	Yes	Yes
Crédit Coopératif	Yes	Yes



Institution name	Published annual reports	Website information
Confédération Nationale du Crédit Mutuel	Yes	Yes
National Cooperative Council - NCC	No	No
Ukrainian Central Union of Consumer Societies (UKRKOOPSPILKA)	No	Yes
Union Of Savings & Credit Co-operatives Ltd. (KUSCCO)	No	Yes
Cooperative Mortgage Bank Ltd (CMB) (Represented by Co-operative Federation Of Nigeria (CFN))	No	Yes
European Association Of Co-operative Banks (EACB)	Yes	Yes
Iran Chamber of Cooperatives (ICC)	No	Yes
DGRV - Deutscher Genossenschafts-und Raiffeisenverband e. V.	No	Yes
Banco CredicoopCooperativo Ltd. (BCCL)	Yes	Yes
Fédération Nationale des Caisses d'Épargne (FNCE)	No	Yes
Caribbean Confederation of Credit Unions (CCCU)	Yes	Yes
National Co-operative Development Corporation (NCDC)	Yes	Yes
MASS-SPECC Cooperative Development Center	Yes	Yes
Central Cooperative Bank Plc (CCB)	Yes	Yes
Rabobank	Yes	Yes
Aurora Integrated Multipurpose Cooperative (AIMCoop)	No	Yes
Cooperative Bank of Oromia	Yes	Yes
Bangladesh Samabaya Bank Limited (BSBL)	Yes	Yes
Odua Cooperative Conglomerate Ltd (OCCL)	No	Yes
Buldana Urban Co-operative Credit Society Ltd. (BUCCS)	Yes	Yes

Institution name	Published annual reports	Website information
Desjardins (represented by Co-operatives and Mutuals Canada / Coopératives et mutuelles Canada (CMC))	Yes	Yes
Union Cooperative de Crédit Agricole et Rural d'Haiti (UNICAGRIH)	No	Yes
Alliance Coopératives Cameroun (COOP-CAMEROON)	No	No
Somali Union Co-operative Movement (UDHIS)	No	No
Jamaica Co-operative Credit Union League (JCCUL)	No	No
Federazione Italiana delle Banche di Credito Cooperativo (Federcasse) (Represented by Alleanza delle Cooperative Italiane)	No	Yes
Network Consolidated Cooperative Bank (NCCB)	No	Yes
Barbados Co-operative Business Association (BCBAL)	No	Yes
Coop FR (Crédit Agricole)	Yes	Yes
The Karnataka State Cooperative Apex Bank Ltd	Yes	Yes
The Talangana State Cooperative Bank Ltd	Yes	Yes
The Delhi State Cooperative Bank Ltd	Yes	Yes
Andhra Pradesh State Cooperative Bank Ltd (APCOB)	Yes	Yes
National Federation of Urban Cooperative Banks and Credit Societies Ltd	No	Yes

**Annex II:**

## List of the ICBA members consulted for the present study

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| 1.  | Rabobank, Netherlands                            |
| 2.  | AimCoop, Philippines                             |
| 3.  | NAFCARD, India                                   |
| 4.  | NCBA CLUSA, USA                                  |
| 5.  | MASS SPECC, Philippines                          |
| 6.  | Buldana Urban Cooperative Credit Society, India  |
| 7.  | CUDECOOP, Uruguay                                |
| 8.  | National Cooperative Alliance Cameroon, Cameroon |
| 9.  | National Coop Cameroon Finance, Cameroon         |
| 10. | EACB, EU   |
| 11. | Desjardins, Canada                               |
| 12. | DGRV, Germany                                    |
| 13. | Crédit Mutuel, France                            |
| 14. | NCUI, India                                      |