

# SUSTAINABLE DEVELOPMENT GOALS & OBJECTIVES

## CONTRIBUTION OF COOPERATIVE BANKS



**INTERNATIONAL COOPERATIVE BANKING ASSOCIATION**



**INTERNATIONAL COOPERATIVE ALLIANCE  
BRUSSELS**

# SUSTAINABLE DEVELOPMENT OBJECTIVES CONTRIBUTION OF COOPERATIVE BANKS

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Ariel Guarco  
President, ICA

To the ICBA  
*International Cooperative Bank  
Association*

July 4<sup>th</sup>, 2020

**MESSAGE**

Cooperative banks are one of the main pillars of the cooperative movement. They are among the earliest types of cooperatives having emerged in the 19th Century. They have extended to all parts of the world, because they correspond to one of the most fundamental economic needs of humanity, namely access to thrift and credit for citizens, families and enterprises, both in rural and urban areas.

Thanks to their development, they are a key actor in one of the main challenges that humanity is facing today: putting the financial system at the service of sustainable development.

Unfortunately, at least since the 2008 crisis, we have seen how the speculative behavior of the financial entities without commitment to their territories has hit our families, our enterprises, and even our Nations through absurd levels of indebtedness that threatens their development possibilities.

This global phenomenon, which we have not resolved since 2008, and which today shows again its weaknesses in the context of the pandemic, requires responses on three levels.

The global architecture of the financial system must be discussed; we must achieved in each national space new regulations that recovers the service character of the financial system, guaranteeing its subordination to the Sustainable Development Objectives, and finally, civil society must be strengthened in each location, so that it can reconstruct the link between local savings and local investment, as the foundation of sustainable development.

Alliance Coopérative Internationale - AISBL

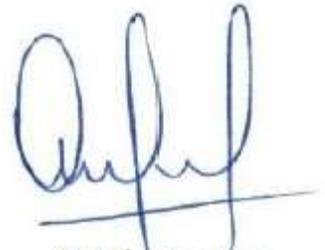
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The Cooperative Banks are the only financial institutions that, because of their trajectory and scale, can promote this agenda at all three levels.

The report "Contribution of Cooperative Banks to the Sustainable Development Objective", elaborated by ICBA, provides precise targets and indicators, and contribute with elements that can help to face these challenges.

In the name of the ICA, I wish to thank ICBA for this important contribution to the cooperative movement.

A handwritten signature in blue ink, appearing to read 'Ariel Guarco', with a horizontal line drawn underneath the name.

Ariel Guarco  
President



**Bruno Roelants**  
**ICA Director General**



**July, 2020**

### **FOREWORD**

This report is part of a wider ICA project focusing on the cooperatives' contribution to the UN Sustainable Development Goals by sector. The idea to launch such a project came about in 2018, based on the observation that the cooperative movement still lacked cooperative-specific targets and indicators linked to the SDGs, whereas the latter provided, for the first time in history, a convenient and measurable grid of analysis on the various facets of development, agreed upon among international organizations, governments, civil society organization and enterprises.

The project was then launched in 2019 with the various ICA Sectoral Organizations, and this ICBA report on cooperative banks is a key part of it, considering the paramount importance of cooperative banks within the cooperative movement.

Instead of trying to cover all 17 SDGs, this report wisely limits itself to focus on 9 out of the 17 SDGs, namely those which are most relevant to cooperative banks. Some of them are linked to the mission of cooperative banks in general (eg goal 8 – promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) or of some specialized ones like agricultural cooperative banks (eg goal 2 end hunger and achieve food security and improved nutrition and promote sustainable agriculture). Other selected SDGs are linked to specific products offered by cooperative banks such as insurance (eg goal 3 ensure healthy life and promote well-being for all at all ages). Others are linked to specific governance effects of the cooperative model applied to cooperative banks (eg goal 5 achieve gender equality and empower all women and girls). Others still are linked to specific voluntary projects generated by cooperative banks, reflecting the latter's embeddedness within communities (eg goal 3 quality education, goal 13 take urgent action to combat climate change).

It should be emphasized that cooperative banks achieve these results by combining the small and the large, the grassroots and the “meso” dimension, the embeddedness and capillarity within local community on the one hand and the capacity to establish large banking groups composed of smaller banking units on the other. It is through this double dimension, illustrating how cooperative banks have concretely applied the sixth cooperative principle “cooperation among cooperatives”, that cooperative banks have been able to reach such business scales and market shares, and such an impact on the development of communities.

By gradually measuring the impact of cooperative banks on the economy, society and sustainable development, it will also be possible to estimate what would be the “cost of no cooperative banks”, namely what would the world look like today if cooperative banks did not exist.

**Bruno Roelants**  
**ICA Director General**



**BHIMA SUBRAHMANYAM**  
PRESIDENT, ICBA

**04 July 2020**

### **PRELUDE**

As per the information available at United Nations, “the Sustainable Development Goals (SDG) are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 Goals are all interconnected, and in order to leave no one behind, it is important that we achieve them all by 2030.”

The Sustainable Development Goals recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection. To extract & quote further from the UN site, “COVID-19 is spreading human suffering, destabilizing the global economy and upending the lives of billions of people around the globe. The pandemic is an unprecedented wake-up call, laying bare deep inequalities and exposing precisely the failures that are addressed in the 2030 Agenda for Sustainable Development and the Paris Agreement on climate change. Leveraging this moment of crisis, when usual policies and social norms have been disrupted, bold steps can steer the world back on track towards the Sustainable Development Goals. This is the time for change, for a profound systemic shift to a more sustainable economy that works for both people and the planet. The Sustainable Development Goals are vital for a recovery that leads to greener, more inclusive economies, and stronger, more resilient societies.”

*“We need to turn the recovery into a real opportunity to do things right for the future.”*

*– UN Secretary-General*

*The objective of this study is to identify the contribution of cooperative banks to sustainable development objectives. To this end, it is proposed to build on the SDG of the United Nations specific objectives and indicators for cooperative banks to measure the contribution of cooperative banks to the SDG during the next decade. The task of preparing the study Report is entrusted to Dr. Olivier Boned. He is General Delegate of the Institute Montparnasse, an international think tank on mutual organizations has been involved in cooperative banks for 20 years and ICA for 15 years. He is now recognized as an expert by ILO through the bilateral convention between ICA and ILO. He has been associated with Credit Mutual, Paris, France. We extend our sincere thanks to him from ICA /ICBA. We place on record our appreciation to Mr. Hyungsik Eum, Strategy and Statistics coordinator, ICA-EU Partnership Programme for his analytical observations on the contents and coverage of the report.*

**Bhima Subrahmanyam**  
**President**

## 17 GOALS TO TRANSFORM OUR WORLD

The Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. The 17 Goals are all interconnected, and in order to leave no one behind, it is important that we achieve them all by 2030.

The Sustainable Development Goals recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.



# 1. OBJECTIVE AND METHODOLOGY OF THE STUDY

## 1.1. Objective

Cooperative banks around the world are involved in the economic and social development of their members. Each member is engaged in his/her cooperative, through the principle of "one person, one vote". The cooperative's objective is therefore linked to the interests of its members. The objective is, for the cooperative, to provide them with a service for as long as possible, so the question of sustainability is central. Their existence is therefore necessarily linked to an objective of social and economic progress of the members and therefore, indirectly, of the society as a whole, and they usually prioritize environmental, social and governance (ESG) factors, as Desjardins can achieve in its own strategy. The Principles for Responsible Investment (PRI) which "is the world's leading proponent of responsible investment. It works to understand the investment implications of environmental, social and governance (ESG) factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole". Several cooperative banks signed the PRI for a long time, as Crédit Agricole in France since 2006. Involved for several years as well, cooperative banks could largely have signed the United Nation Global Compact or the Equator Principles, as the Norinchukin Bank in Japan did. The European association of cooperative banks (EACB), for its part, supports the UNEP Statement of Commitment by Financial Institutions on Sustainable Development (UNEP FI). Similarly, National Federation of State cooperative Banks (NAFSCOB) India advocated the active participation of their member State Cooperative Banks (SCBs) in addressing all the 17 SDGs and contribute to their objectives.

The contribution of cooperative banks as economic actors in the service of members will necessarily have an impact on the overall development of society. As such, cooperative banks may have expressed in their statutes, as the Federation of Thrift and Credit Co-operative Societies of Sri Lanka (SANASA), the ambition to establish "a new social order based on cooperative values and principles".

The SDGs of the United Nations are a great opportunity to highlight the contribution of cooperative banks and a real opportunity to return to the origins of the cooperatives as the Norinchukin Bank underlined it in its 2019 sustainability report. For the Co-op Bank in Kenya, the objective of its sustainable policy is to meet UN SDGs (CSR report, 2017, p. 4-5). Desjardins highlights its contribution to SDGs in an original way through the initiative called Cooperathon. “The Cooperathon is the brainchild of the Desjardins Lab and its partners, and it’s the largest open innovation competition in Canada. The 4th annual Cooperathon welcomed 1,300 participants and featured 125 projects in 6 project tracks: finance, health, education, energy, the environment and agriculture. Participants developed innovative solutions to support the United Nations Sustainable Development Goals. More than 2,000 people participated globally across 14 sites and 4 countries: Canada, France, Belgium and Chile” (Desjardins, Highlights 2019). In addition, Desjardins as a cooperative bank, is also a signatory to UN initiatives as the UN’s Principles for Responsible Banking. Others cooperative banks, as Caisses d’Epargne in France, highlight the link between CSR policy and the contribution to SDGs in their sustainable development report. In this report, the Caisses d'Epargne respond to 12 of the 17 SDGs. The Cr dit Mutuel group in France, which has been responding to the Communication on progress (CoP) of the Global Compact since 2005, highlights its contribution to SDGs in its 2019 statement. The Norinchukin bank, for its part, has carried out its entire 2019 sustainability report based on its contribution to each SDGs.

## **1.2. Methodology**

This report was carried out in several stages. An analysis of the main CSR reports in the banking world in general, and in the world of cooperative banks in particular, made it possible to identify the main indicators frequently used. These indicators have a twofold advantage: firstly, they correspond to international criteria that are relevant with the SDGs. Real parallels exist. These indicators are therefore relevant to the dynamics initiated by the United Nations. Secondly, these indicators are tools used by the cooperative banks and are therefore widely available to the banks themselves. They are therefore consistent with the banking activity, the cooperative banks are therefore, on the whole, in a position to inform them. In reading the various cooperative bank reports, we see an effort on the part of many cooperative banks to align their initiatives with the SDGs. Some cooperative banks, such as the Caisses d'Epargne in

France or Norinchukin bank in Japan, have structured their CSR report entirely around their response to the SDGs. This initial synthesis work enabled us to produce a first interim report at the end of December 2019 proposing objectives and indicators for cooperative banks. In January 2020, a period of internal consultation with the President of the International Cooperative Banking Association (ICBA) enabled us to enrich certain indicators and add one SDG in particular, number 4 on Education. In February, the report was circulated to the 41 members of ICBA as well as to all ICA member Apex cooperatives, as well as to all ICA member cooperatives with secondary financial activity but not members of ICBA. This consultation resulted in a mailing to 235 ICA member contact persons. This information phase has above all raised awareness of the existence of this study as the different sectors of ICA are carrying out similar reports.

In March and April, all 41 ICBA members received the report again. They were asked to comment on the relevance of the proposed indicators and to provide examples and illustrations. **Nine objectives of the SDGs are be remained, 1, 2, 3, 4, 5, 7, 8, 11 and 13.** They will be presented, with the targets and indicators identified in the SDGs to allow the most objective reading possible. It is obvious that cooperative banks cannot be able to respond to all the indicators which are by nature very broad. They are therefore relevant indicators in the economic reality of a banking player and, at the same time, relevant regarding their socially responsible dimension.

All of the annual reports, websites, and CSR reports of ICBA members were then analyzed in order to remove examples and test the relevance of the indicators.

This counterbalanced the limited number of responses from ICBA members. The low number of responses can be explained in different ways. First of all, having to fill in a questionnaire can seem difficult in periods when there is a lot of reporting. The question of the availability of cooperative bank teams was also real, in a particular period under the sign of Covid-19. Secondly, the structuring of certain ICBA members may also have an impact. Several members are small, and certainly feel less concerned or impacted. Some ICBA members are also national Apex of the Cooperative movement, and the banking reality is therefore far removed from their national stakes. In all cases, we have tried to propose a report that is as faithful as possible to the reality of cooperative banks through direct contacts and by reading the many reports

available. This report and these indicators can naturally be improved. They will certainly be amended through contacts and exchanges between members. This initial work will make it possible to work on refining a more precise positioning over time.

The current study has its own limitations, in the context of the above explanatory notes.

## 2. GOAL 1 - END POVERTY IN ALL ITS FORMS EVERYWHERE



### SDGs TARGETS

**1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable**

**1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance**

### COOPERATIVE BANKS TARGETS AND INDICATORS

Cooperative banks are the result of cooperation between people who initially could not have access to credit. They were therefore set up based on financial assistance based on the pooling of resources, from the outset (Rochdale, 1844) and which is now found in cooperative banks throughout the world. The solidarity dimension, assistance to fragile, poor people, is therefore a root of cooperative banks. For several banks, as the Turkish chypriote bank Koopbank “The cooperatives are children born out of needs” (Koopbank website). The recent Union Cooperative Agricultural and Rural Credit of Haiti aims to fight against extreme poverty of the population; the World Bank consider that 6 out of 11 million Haitians live below the poverty line on less than US\$2.41 per day (website of the World Bank).

To the end of solidarity, cooperative banks are committed to offering financial and insurance services at affordable prices. The notion of fair price is regularly used to highlight that cooperative banks are committed to providing affordable services to the greatest number of people. The prices are based more on a question of accessibility for the greatest number of people than on a logic of shareholder remuneration, which does not have in their own and represent a major difference with banks that have chosen a status with shareholders. The shareholders mean a high promotion of a democratic way in cooperatives and the goal to reach a social justice, which is a more societal target of cooperatives in the world, as we could identify on the website of the Instituto Movilizador de Fondos Cooperativos (IMFC) in Argentina.

Thus, in practice, cooperative banks can claim a main objective about the SDGs: they contribute to providing access to financial, insurance and banking services to as many people as possible. This can be translated into more concrete targets which need specific indicators to measure them.

As cooperative banks offer affordable and accessible services to the greatest number of people, the number of the bank's customers out of the total population of the country could thus be a first indicator.

Then, cooperative banks set up specific financial support mechanisms for more vulnerable people through microcredits. It enables people either to buy a consumer good or to create their own business. Cooperative banks are committed to the principle of self-help. Thus, their preference is clearly for self-help mechanisms rather than financial support that would place them in a certain dependence; the microcredit could also be considered as a help to self-help which is clearly in accordance with the cooperative philosophia. Microcredits can be measured through two quantitative indicators: their number and their amount. Several cooperative banks have been able to accurately estimate the amounts invested in microcredit financing, the amounts allocated can be relatively large, for example € 185 million for Caisses d'Epargne in France (CSR Report 2018). Micro-Finance is now widespread among co-op banks around the world, in Nigeria, most recently, the Cintrust microfinance bank was established in 2018 and is a member of Odua cooperative Conglomerate Limited.

The success of these microcredits lies in the support and follow-up systems. Cooperative banks have generally established partnerships with specialized organizations to support vulnerable

people. It would therefore be interesting to count the number of partners involved with each cooperative bank in supporting people who take out microcredits. Acting with the Social Cohesion Fund and more than 140 associations, Crédit Coopératif is a major player in social microcredit in France. It is France Active's historical partner for professional microcredit. And thus, participates in developing structures of the Social and Solidarity Economy. It is also one of ADIE's historical partners, an important actor in social microcredit. The Co-op Bank of Kenya has over 164 partnerships which support people who take microcredits. Cooperative banks can also promote microcredit beyond their national borders; the German DGRV project in India aims to develop, up-scale and mainstream sector own control systems in order to contribute to the promotion of Self-Help Groups (SHGs) and SHG federations in such a way as to realize their full potential for engaging in microfinance and sustainable livelihoods. In a same way, since 2002, " Microfinanza Campesina " from the Italian Credito Cooperativo (Federcasse) promote an integrated community development project in rural areas of Ecuador, more than 150.000 families of peasants (campesinos) have been lifted out from poverty and have achieved food self-sufficiency.

Finally, cooperative banks, like mutuals, have financial aid funds for people in great fragility at their disposal through donations. The Co-op Bank of Kenya through its various social engagement initiatives, helps the vulnerable members of society, including needy students. The Cooperativa Universitaria of Paraguay benefits all its Members with a "Solidarity" service which is covering several situations - for a child who has graduated from a university, wedding, birth or full adoption, total and permanent disability, hospitalization, allowance for death, Cemetery service. In order to access this service, the Member must be up to date with his or her obligations.

It might be interesting to increase the amounts allocated in social assistance, when this exists within the cooperative bank. Some cooperative banks go further and identify among their clients those who are in a situation of financial fragility. These customers are contacted by mail and e-mail in order to offer them a more financially suitable offer. Caisses d'Épargne in France have thus enabled half of the 170,000 customers in this situation to benefit from a new offer. At the same time, a policy to combat over indebtedness and provide financial education (CSR Report, 2018).

### **Cooperative banks targets**

- Provide affordable and accessible financial services to the greatest number of people
- Provide specific financial support mechanisms for more vulnerable people through microcredit in partnership with specialized organizations
- Help people in fragility through specific offer, financial aid funds, social assistance programme and/or social (or socially responsible) investment

### **Cooperative Banks' indicators**

- Number of the bank's customers out of the total population of the country
- Number & amount of Microcredits
- Number of partners involved with each cooperative bank in supporting people who take out microcredits
- Amounts allocated in social assistance
- Investing toward reducing poverty (\$ Million)

### **3. GOAL 2 - END HUNGER, ACHIEVE FOOD SECURITY AND IMPROVED NUTRITION AND PROMOTE SUSTAINABLE AGRICULTURE**



#### **SDGs TARGETS**

**2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment**

**2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality**

#### **COOPERATIVE BANKS TARGETS AND INDICATORS**

Cooperative societies operate in accordance with the principle of free enterprise and make people their top priority, focusing both on the long term and on competitiveness. They have an atypical profile, combining a democratic economy and an entrepreneurial model based on equity and social responsibility.

Since their origin, cooperatives have been guided by the essential principle of individual autonomy. This autonomy is essentially based on the ability of individuals to self-organize to

ensure access to vital needs, of which food is a primary and essential element. Thus, since the origin of cooperatives, individuals have found in the cooperative form the means to fight against their isolation and vulnerability. Cooperatives allow individuals to join together to collectively produce their vital goods. Agricultural cooperatives are important actors in the cooperative movement, and as such are the most popular form in Europe in the food and agricultural sector (Bijman et al., 2012). However, as several examples of cooperatives in history show, cooperative members quickly need access to financial resources: to access the purchase of land, machinery, tools or to invest collectively, as shown by the development of the Raiffeisen cooperative banking movement, which in the early 19th century created cooperative credit institutions to support agricultural development and to address the suffering of farmers (Raiffeisen Today) The thinking of the cooperative movement at the time was, as Hans Groenveld relates : “The question should not be how cooperatives can help the poor and disadvantaged, but how the poor and disadvantaged can help themselves by forming or joining cooperatives”. Thus, cooperative banks could also help other cooperatives in the world to achieve this goal by themselves. In order to illustrate this idea, the German DGRV's supra-regional project, operated from the country office in Mexico-City, focuses on small and medium enterprises (SME), cooperative banks and its members as well as on cooperative federations and national authorities on the macro level. The project activities include consultancies, trainings and exchange programs, as well as specialized IT applications, e.g. early warning and control systems, social balance, et al. With the activities the project aims at improving the cooperative banks sustainability and expansion of their financial products with the purpose to enhance the financial inclusion in the project countries. In Cuba, the DGRV advises the national partner in the elaboration of its cooperative sector. The strategy of DGRV in Cambodia focuses on strengthening cooperative collaboration in agriculture with the aim to provide important growth impulses to the rural population as a whole and to farmers and small business holders in particular. The Special Initiative "One world without hunger" enables DGRV and its partners to expand their cooperation portfolio by adding another important component. The setup of cooperatively organized advisory structures supports not only the development of the Cambodian cooperative sector. With its demand-driven, technically and economically oriented advisory approach, the project also contributes to improvements in food security and livelihoods in rural areas of Cambodia. Against this background, the project enables

cooperatives in the province of Kampong Chhnang to offer their members agricultural extension services towards a sustainable increase in production and income generation. The main activities comprise of agricultural training and consultancy activities, supplemented by material assistance in setting up demonstration plots- / stables. Value chain and market analysis serve the development of co-operative business activities.

The Union Cooperative Agricultural and Rural Credit of Haiti (UNICAGRIH) of Haiti, created in 2014, considers these cooperative links to be fruitful with cooperative banks around the world.

The development of cooperatives thus necessarily entails the development of financial activities, as an extension. It is thus frequent that cooperatives have been able to develop a financial branch within themselves or to develop a financial cooperative in its own right. Many cooperative banks are thus strongly linked to the world of agriculture, as Hans Groenveld underline “Cooperative banks clearly still play an indispensable role in financing agricultural and food industries throughout Europe” (2019, p 13).

While this is true in Europe, it is no less true elsewhere, such as in India where the “Cooperative banks belong to the oldest forms of the collective action in India playing essential role in the realization of the agricultural and in local development” (Soni & Saljua 2012; Joshi, 2016). In a country like India, where two-thirds of the population lives from agriculture, the stakes of financing activities are high. As such, the State is strongly involved alongside the cooperative banks. Beyond the simple provision of credit, the Indian cooperative movement and the cooperative banks are thinking more globally to promote an agricultural economic activity that would enable farmers to make a living from their activity. In the Land Bank Journal, linked to the National cooperative agriculture and rural development bank federation (NAFCARD), Dr. K.K. Tripathy mentions that “cooperatives have the potential in transforming the agriculture into a profitable business venture through a well-coordinated collective action”. This role of cooperative banks to provide easy access and availability of finance for agriculture crop development/cultivation/storage/marketing, in a whole, in order to help people and facilitate growth in farm sector is recognised by the National Federation of State Cooperative Banks (NAFSCOB) in India.

The impact of the cooperative banks is, in this logic, more efficient in a coordinate and collective action with other cooperatives.

In Argentina, from 2017, Banco Credicoop « continued working in the Project “Financial Inclusion for a Climate-Smart Agriculture in Argentina”, with small producers gathered in cooperatives located in the provinces of San Juan and Misiones” (Banco CrediCoop, Annual Report, 2018, p. 36). Cooperative banks could also provide government loans for farmers, as originally in Europe, with the Credit Agricole (France) or, nowadays, with the Koopbank in Northern Cyprus where the cooperative bank “assist the agricultural development, it provides government -subsidized loans directly to the farmers. These loans are usually long-term and at low rates of interest” (Annual Report 2018, p.1).

Cooperative banks are naturally sensitive to the development and accompaniment of cooperators, because they are economically and humanly linked, but also because they share the same purpose: the economic and social development of their members. Support for other cooperatives is therefore one of the principles of all cooperatives.

Finally, by being linked to the world of agriculture, cooperative banks are aware of the importance of this issue and provide solutions for a more sustainable financing of agriculture in the long term. Cooperative banks could also be major players in order to “revitalize the agriculture and fishery industries and local communities by creating fund flows in such local communities” as the Norinchukin bank aims to do in Japan (Sustainability report, 2019, p. 18).

“Productivity growth in F&A is also needed to address one of the most urgent global challenges for mankind: food security and the food supply chain. These issues are becoming increasingly pressing in light of the predicted increase in world population to around 10 billion in 2050” (Groenveld, 2019). Today, the stakes are high, the responsibility of cooperative banks lies in their ability to face the challenge of survival in a global sense, throughout the world.

#### **Cooperative Banks targets**

- Contribute to the financing of agriculture
- Participate in the development of sustainable/environmentally responsible agriculture

#### **Cooperative Banks indicators**

- Food and Agriculture sector Financing (\$ Million)
- Financing sustainable/responsible agriculture (\$ Million)

## **4. GOAL 3 - ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES**



### **SDGs TARGETS**

**3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all**

### **COOPERATIVE BANKS TARGETS AND INDICATORS**

The world of finance tends to include banking and insurance. Insurers themselves are more closely related to finance than to insurance. Thus, the figures proposed by the global representative body of the cooperative and mutual insurance sector - ICMIF -, a 10-year growth of 39.3% (compared to global market growth of 16.8%), USD 232 billion in premium income and USD 1.7 trillion in total assets, show that insurers, whether cooperative or mutual, throughout the world, carry out a significant part of their activity in the financial sector. For their part, cooperative banks have mastered a complex approach to the financial world through loans. This activity has enabled them to develop strong expertise and an increasingly broad commercial offer in insurance who was an extension of the services “beyond the banking sector into industry, trade and services” (Koop bank, website).

The protection of individual health has thus become a commercial offer and has been for more than 40 years in Europe and beyond in the world. Thanks to a large network of branches and advisers, cooperative banks can thus offer insurance products to protect the health of their members. If the European cooperative banks propose largely insurance services, it is the case for other, as in India with NAFSCOB, or the Co-op Bank of Kenya which ensures a pool of innovative, affordable and accessible insurance products to its customers.

In addition to the cooperative banks that have been able to develop their insurance business, many cooperatives have also started to promote the health of individuals by offering, in particular, health services. In addition to health cooperatives, which are important in countries such as Brazil, cooperative banks can also come to support these actors, always in a logic of cooperation and support for the development of other cooperatives. The cooperatives have thus committed themselves, thanks to their members, to a logic of mutualization in order to create mutual aid systems to protect their health. For more than 150 years, cooperatives and mutual have been building mutual aid systems all over the world. The mutual that protect 250 million people around the world are non-profit organizations that operate according to the same principles, except for the presence of a share capital composed of membership shares. They have developed hospitals, health centers as well as cooperatives active in insurance, as is the case in Catalonia, for example. All these structures maintain close links with financial cooperatives to develop their activities.

#### **Cooperative Banks targets**

- Contribution to the protection of the health of the population as a whole

#### **Cooperative banks indicators**

- Number of people protected by a health insurance contract from the cooperative bank

## 5. GOAL 4 - QUALITY EDUCATION



### SDGs TARGETS

- 4.1. By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes**
- 4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university**
- 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship**

### COOPERATIVE BANKS TARGETS AND INDICATORS

Cooperative banks are active in the field of education in different ways.

As banks, first of all, cooperative banks help their members in financing children's education. They can also set up specific supports such as the Cooperativa Universitaria in Paraguay, or the Coopeuch in Chile who began in 1990 to provide scholarships to children of members and, over time, to the members of the cooperative as well. The Co-op Bank Foundation in Kenya, at December 2019, had fully sponsored a total of 7657 - since inception of the program- bright but needy students from primary through University (CSR report 2017). The Co-operative bank foundation was established to complement public efforts to increase access to education for the young people both at secondary school and university level. The bank also offers

mentorship and internship programmes to the beneficiaries to provide them with the necessary exposure to work environment.

As companies, cooperative banks set up training and skills development programmes for their employees. In all cooperative banks, particular attention is paid to training, well-being and employee development. Generally, training courses exist, and a significant financial part can be devoted to training. “Support employees’ growth through training and other opportunities” is one of the answers of the Norinchukin Bank to the SDG 4 on Education (Sustainability report, 2019, p. 1).

Then, cooperative banks are involved in their communities and, as such, are led to commit themselves to supporting educational projects, but also, sometimes, school structures. Cooperative banks pay special attention to the financial education of society, especially of the younger generation. In order to promote financial education among , Fundación Coopeuch, in Chile, has a free educational portal for children between the ages of 7 and 12, called Coopeucheduca ([www.coopeucheduca.cl](http://www.coopeucheduca.cl)), which aims to provide interactive and dynamic tools so that users can learn concepts associated with saving, money management and responsible consumption in an entertaining way. The Caisses d’Epargne, in France, is also involved in the Financial Education for the public.

Some cooperative banks, such as Crédit Mutuel in France, also combat illiteracy through a specific foundation for 30 years.

Finally, some cooperative banks, such as Crédit Coopératif in France, have developed documentary resource centre - le centre Charles Gide - to promote the academic research and the influence of the Social Economy in the broadest sense.

### **Cooperative banks targets**

- Contribute to support education in the society
- Contribute to educate to financial issues the population
- Make growth the employee’s competences

**Cooperative banks indicators**

- Number of educational projects supported and amounts allocated
- Number of employees trained / amounts allocated to employee training

## **6. GOAL 5 - ACHIEVE GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS**



### **SDGs TARGETS**

**5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life**

### **COOPERATIVE BANKS TARGETS AND INDICATORS**

The issue of gender equality is inherent to cooperatives. To join a co-operative, as member, everyone is equal to others, regardless of their origin, religion, financial capacity and gender. There is no discrimination on entry and the principle of mutualization of the organizations, operates on a principle of equality from the moment of entry into the co-operative and is expressed through equality in the right to vote, "one person, one vote". Equality is therefore a primary principle of the functioning of cooperatives. In cooperatives, members elect their non-executive directors, but also, sometimes, their executive directors. The question of gender, if it does not arise a priori, can be replaced by that of competence, but also of availability. However, in the world, the question of men's availability may be facilitated by the fact that family responsibilities are more widely assumed by women. There are aids to ensure their elective mandate, such as childcare, but this does not fundamentally and culturally change the place of women in society and indirectly in the management of cooperatives. Regulations, in the United States and in Europe, exist to impose quotas on companies in the governance of non-executive boards of directors but not executive management committees. Thus, it is relevant to identify the place of women in governance to identify their place, at the level of cooperative banks in

the world. In 2019, women's representation on Desjardins caisse boards of directors reached 44.5%. 59% of managers across the organization are women, and the Desjardins Group Management Committee has achieved parity.

Several cooperative banks tend to identify the place of woman at several stage of the cooperative. The gender equality, as the involvement of youth in governance is a specific issue supported and managed by several cooperative institutions, from the International cooperative alliance to regional cooperative organisations. The 5th Cooperative summit of Americas organized « workshops about gender and youth, among other topics that take part in the continental and worldwide cooperative agenda. From these intensive workshops, a document was issued, which collects the agreed contributions and constitutes a real guidance for the institutional and operating management of cooperativism to face global challenges of current historical context » (Banco CrediCoop, Annual Report, 2018, p. 40). The gender equality is also a human resources issue, the Co-op Bank of Kenya underlined that "diversity includes, but not limited to, religious and political beliefs, gender, ethnicity, education, socioeconomic background, sexual orientation and geographic location" (CSR Report, 2017, 21).

As financial actor, cooperative banks could also propose specific investments based on the promotion of the gender equality within organisations. Desjardins propose The Women's Impact guaranteed investment focuses on corporate governance, with returns linked to the growth of 20 companies whose boards are made up of at least 40% women.

Then, cooperatives could also help other cooperatives in the world. The German DGRV has developed a pilot model for the self-governance of self-help groups in India within the framework of the regional project 'Promotion of Cooperative Self-Help Organisations in Asia' together with the non-governmental partner Mahila Abhivruddhi Society (MAS) - formerly APMAS. This began in 2008 in the Kamareddy Cluster in Telangana with 6,084 self-help groups (SHG) and about 75,000 members, all of whom were women. The aim of the cooperation is to enable the members to manage their SHG independently, to design the processes, to establish supporting network structures and thus to lead them successfully and sustainably for the benefit of their members.

**Cooperative banks targets**

- Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making within the cooperative bank at the several level of the governance

**Cooperative banks indicators**

- Percentage of women at the different levels of the governance: national, regional and local (if relevant)
- Percentage of women in senior management positions

## **7. GOAL 7 - ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE AND MODERN ENERGY FOR ALL**



### **SDGs TARGETS**

**7.1 By 2030, ensure universal access to affordable, reliable and modern energy services**

**7.2 By 2030, increase substantially the share of renewable energy in the global energy mix**

**7.3 By 2030, double the global rate of improvement in energy efficiency**

### **COOPERATIVE BANKS TARGETS AND INDICATORS**

Climate change involves a change in the world's CO<sub>2</sub> emissions. These emissions come from human activities, factories but also from individuals in their daily lives. Travel by car and consumption in the home are major consumptions. By financing companies and individuals, banks can contribute to modify the carbon impact of companies and individuals. Cooperative banks can act in several ways.

At first, cooperative banks could contribute to reduce their own environmental impact.

The Desjardins goal is to reduce the greenhouse gas (GHG) emissions to 20% below 2018 levels by 2024 (Highlights 2019). For its part, Crédit Agricole, in France, has joined the RE100 initiative launched by the international organisation The Climate Group in 2014. "Since 1st January 2016, 92% of the energy supplied to the Group has been produced from renewable sources" (Credit Agricole website, RE100: The Group commits to buying electricity from 100% renewable sources).

As a finance actor, a cooperative bank has to reduce the carbon footprint of its investments. Desjardins, by December 31, 2020, is going to ensure that the carbon footprint of the assets

invested in publicly traded securities is 25% less than the average greenhouse gas emissions of the companies that make up the stock and bond market indexes (Desjardins, Highlights 2019).

Secondly, they can support men and women in renovating their homes so that they consume less energy and are better insulated. This has a twofold advantage: it allows individuals to live in a house with little or no energy consumption. Housing becomes more sustainable. In the same way, allowing energy consumption to be reduced has a significant impact on overall energy production, which will be on the decline, thus helping to reduce the impact of factories on the environment. This is therefore a virtuous circle that cooperative banks can support.

Then, cooperative banks can actively support energy production methods by financing alternative energy production projects to those existing today, such as solar or wind power. As concrete example, could we highlight Desjardins who will install 200 electric vehicle charging stations across Quebec and Eastern Ontario. Finally, cooperative banks support and develop actions at the international level. The Renewable Energy Dialogue Platform, develop 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, Mozambique). The worldwide Platform focused its activities in the first years on creating networks, elaborating studies and executing study tours. As mentioned by NAFSCOB, Indian cooperative banks are also promoting the use of solar energy for individuals who want to save energy and money, allowing a combination of energy savings and more financially sustainable access.

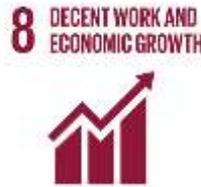
### **Cooperative banks targets**

- Support the development of green energy and the reduction of energy consumption.

### **Cooperative banks indicators**

- Amounts of funds dedicated to finance energy efficiency in household
- Financing of renewable energy generation through wind, solar, biomass and geothermal projects (\$ Million)

## **8. GOAL 8 - PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL**



### **SDGs TARGETS**

**8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries**

**8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value**

**8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all**

### **COOPERATIVE BANKS TARGETS AND INDICATORS**

The economic development of a co-operative's members is one of the primary issues for co-operatives. Cooperatives are like tools for mobilizing and pooling the human and financial resources of individuals in order to improve their economic and therefore social situation. Co-operatives therefore have an important economic purpose to help people. Cooperative banks in India have assured banking facility, to all sections of the society including highly deprived citizen in the state. This has helped to improve their standards of living and increasing their purchasing power. This approach is boosting rural economy from grass root level and more importantly on consistent basis.

Cooperative banks are doubly impacted. They are by nature economic actors at the service of the development of their members and therefore of the immediate economic community, and they are by the nature of their financial activity totally connected to all the economic activities of a country. Cooperative banks support the development of other kind of cooperatives, the impact of cooperative banks is important when “the cooperativism of the country has the singularity of covering practically all economic task fields” (Banco Credicoop, Annual Report, 2018, p.40). Cooperative banks could also support a specific sector, as the Japanese Norinchukin Bank does by promoting “the life-plan support business for individual members and customers who lead the growth of the agriculture, fishery and forestry industries” (Sustainability Report 2019, p. 11). Cooperative banks support the development of members and the economy, just as the economic development of a country contributes to the development of the activity of cooperative banks. Cooperative banks are therefore intrinsically linked and dependent on general economic development.

The impact of cooperative banks on the general economy can thus be measured in different ways. The first is to recall that cooperative banks by developing their economic activity contribute to the development of the country's GDP in general. While this impact is difficult to isolate, it is nevertheless possible to identify the percentage growth share of cooperative banks per year. This growth makes it possible to identify the dynamics of cooperative banks on the economy. Growing cooperative banks are economic actors that contribute to the development of the economy in general. The impact of cooperative banks can also be measured on their presence in the territory. The number of members of cooperative banks is an indicator of their presence and impact on the population. Similarly, cooperative banks provide access to services to the population, as the presence of ATMs in the territory can demonstrate. Secondly, cooperative banks could also finance public authorities, at the national level but also at the regional and local levels. Cooperative banks are therefore partners in the economic development carried out by the public authorities.

Finally, cooperative banks are particularly attentive to helping individuals to develop their own business in a logic of empowerment.

A co-operative bank, as every cooperative, can distribute part of its surplus to members by way of dividends. To become a member, the person needs to buy the minimum number of shares

stated in the co-operative's rules, if the benefit is generally based on this number of shares, some cooperatives as Desjardins in Canada decided to enlarge this base. In the Highlights 2019 of Desjardins is announced that "Individual member dividends now take insurance holdings into account. Individual dividends are now calculated based on the business volume of more products and services to better and more fairly reflect the business relationships that members have with their caisses and Desjardins as a whole".

A specific aid can also reach populations that usually cannot benefit from assistance from traditional banks. By developing microfinance, cooperative banks thus enable individuals to empower themselves and perpetuate their social situation as well as that of their families. In 2019, the Desjardins Mutual Assistance Fund provided 18,078 people with financial education and support. Desjardins Microcredit to Businesses and the Créavenir Youth Entrepreneurship Program contributed to creating and maintaining 715 jobs. Cooperative banks could also support national and international initiatives through the professional microcredit. Crédit Coopératif has two subsidiaries specialising in the financing of microcredit: Tise in Poland, which supports NGOs and micro-enterprises in particular, and Inpulse in Belgium, which manages the CoopEst fund for Eastern Europe and CoopMed for the Mediterranean Basin. It also has direct holdings in microfinance institutions in developing countries and a stake in SIDI. An institution in the world of microfinance such as KAFO JIGINEW in Mali, which has just celebrated its 30th anniversary, has always been able to count on the support of Crédit Coopératif.

Cooperatives could also be organised to support the development of other cooperatives with a specific sensibility in social economy movement, which includes cooperatives, mutual and associations. This is the case of several cooperatives that are members of the ICBA. The Instituto Movilizador de Fondos Cooperativos (IMFC), in Argentina, has a specific conception of microcredit as instruments for the development of the social economy and solidarity, trying to generate the consolidation and growth of cooperatives and enterprises in the social and solidarity economy sector. Cooperative banks can support actors in the social economy sector through conventional loans - 832 billion € announced by Caisses d'Epargne (CSR Report 2018)- or microcredit. The specific Microcredit Programme granted by the IMFC in Argentina are loans up to \$100,000 or up to \$202,500 for example.

Several cooperative banks have as members other cooperatives, the cooperative bank is therefore a specific organisation involved in the development of cooperatives or mutuals. The Credit Cooperatif, in France, have as members cooperatives, mutuals and associations. The main members of Bangladesh Samabayan bank are cooperatives from several sectors: auto-rickshaw driver, housing, insurance, multi-purpose society, handicraft. The bank founders of the Central cooperative Bank, in Bulgaria, in 1991, are Central cooperative union, regional cooperative unions and more than 1100 cooperative organisations. At the beginning the bank's main mission was to contribute to the development of the cooperative system in Bulgaria (website of the CCB).

Then, cooperative banks could also help the innovation through specific incubators. The French Cr dit Agricole "has joined forces with major groups to create a single venue and network dedicated to innovation, focused 100% on the economic growth of young companies. The Village supports innovative, high-potential projects across France and in a range of fields, including energy and the environment, housing, health and ageing, farming and agri-food, and digital services" (Cr dit Agricole website, The Village by CA, a talent incubator).

Buona Impresa! is an integrated project of the Italian Co-operative Credit Movement young entrepreneurs (under 35), and propose by the Credito Cooperativo, who starts or develops own business, including cooperatives or non-profit. The project includes a plafond of subsidized loans (start-up loan for a maximum of € 100.000), free tutoring and assistance (for 2 years), a website dedicated and a free "app" for business plan preparation. Some CCBs activated specific business incubators and accelerators.

Since 2019, Cr dit Coop ratif, in France, also has an incubator aimed at developing inclusion: accessibility for people with disabilities, social inclusion, inclusive finance, health, digital inclusion, in the environment sector.

Cooperative banks could also propose a comprehensive package to meet the support and investment needs of start-ups and innovative companies. This can take the form of support for equity financing (fund-raising), support for investment financing, international support, and banking services to facilitate day-to-day operations and manage collections and payments. At the end of 2018, the Caisses d'Epargne with the offer « Neo business » had supported 350 customers for 110 million euros in loans granted (CSR Report 2018).

### **Cooperative banks targets**

- Contribution to the development of the country's economy by the growth of the coop bank and the ability to finance the development of the other companies and public authorities
- Contribution to the increase of employment
- Provision of more locally rooted financial services

### **Cooperative banks indicators**

- Amounts of total assets and annual growth rate of the assets and (b) Net profit after taxes
- Number of jobs in cooperative banks and growth rate of the number of employees
- Amounts of credits allocated to companies and public authorities
- Number of cooperative bank branches per 100,000 adults and (b) number of automated teller machines (ATMs) per 100,000 adults
- Number of clients/customers or members
- Number of jobs created by the micro finance loan proposed by the cooperative bank

## 9. GOAL 11 - MAKE CITIES AND HUMAN SETTLEMENTS INCLUSIVE, SAFE, RESILIENT AND SUSTAINABLE



### SDGs TARGETS

**11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials**

### COOPERATIVE BANKS TARGETS AND INDICATORS

Cooperative banks are economic actors in general. As such, they are partners in the development of cities. They finance the activities of businesses, public authorities that offer housing programs and, finally, they finance members' housing. Cooperative banks could finance the investments of cities, that could be measure, for example Caisses d'Epargne in France have financed € 3.5 billion worth of projects in French towns and cities (Caisses d'Epargne, CSR Report 2018). As an economic actor, Caisses d'Epargne have also paid € 380 million in local taxes, which is a direct support to the local economy. In this way, they intervene with several actors. They develop a particular sensitivity to sustainable development, which is today present in their activities and annual reports. The CSR dynamic is shared by all the banking players, notably thanks to the dynamic carried by the United Nations through the Global Compact for more than 15 years.

Cooperative banks support cities in the development of social housing, which guarantees diversity and equity in cities. Thus, cooperative banks are an important support for social housing financing - € 2.9 billion for Caisses d'Epargne (CSR Report 2018).

Banks, in general, are thus supporting more responsible financing and developing the transformation of cities into a "greener" dynamic, notably by developing and supporting innovative projects. Desjardins is a Canadian leader in renewable energy infrastructure investments. As at December 31, 2019, in partnership with the Desjardins Group Pension Plan, almost \$1.25 billion have been invested or 46.3% of the infrastructure portfolio, in the sector (Desjardins, Highlights 2019).

Cooperative banks can thus be real partners in the change of cities but also actors of this change. For example, Desjardins is financing a project to develop a self-sustaining urban farming ecosystem in partnership with the University of Sherbrooke, which provides an educational space to test ecological and technological production system.

Cooperative banks are fully involved in their community through their members. With elected directors, which represents the interest of the cooperative members at a local level, cooperative banks could contribute to support their community. At Desjardins caisse annual general meetings, members decide how they want to split the surplus earnings between member dividends and the Community Development Funds (CDFs) to support community development projects. The Crédit Coopératif foundation provides financial support for projects with a local impact. After 35 years of existence, the foundation has supported more than 1300 projects for a total amount of € 3.3 million. Cooperative banks could be engaged in two ways, either by funding civil society projects that are not commercial projects, or by encouraging its employees and members to volunteer in local projects. Caisses d'Épargne in France is financing for € 31 million and encouraged their employees to donate their time to organizations supported by the bank (CSR Report 2018).

### **Cooperative banks targets**

- Support for the development of cities and housing

### **Cooperative banks indicators**

- Amounts of real estate loans to companies and public authorities (\$ millions)
- Amount of real estate loans to social housings organisations
- Amount of credit granted to individuals to purchase housing (\$ millions)

- Capital fund that invests in innovations for sustainable cities (\$ millions)
- Social Bonds (\$ millions)
- Donations in favour of organisations (\$ millions) and numbers of projects supported

## **10. GOAL 13 - TAKE URGENT ACTION TO COMBAT CLIMATE CHANGE AND ITS IMPACTS**



### **SDGs TARGETS**

#### **13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries**

#### **COOPERATIVE BANKS TARGETS AND INDICATORS**

Climate change is a major challenge for all economic players, especially those who finance the economy. “Climate issues are now present in governance bodies, with regular presentations to the national risk committee on the Group's exposure to polluting sectors” (Communication on Progress, Crédit Mutuel, 2019) or within the sustainability reports, as The Norinchukin Bank precise to “realize investments with consideration to sustainability and global trends” for the goal 13 of SDGs (Sustainability report, 2019, p. 11).

As co-operatives are sensitive to environmental issues, they can be the subject of discussion and exchange at conferences. Co-operatives also tend to make the link between the co-operative nature and sustainable development issues. Thus, at the 5th Cooperative Summit of the Americas, the three lines were the planet defense, the democratization of financial system globally and various ways of integration of cooperative movement (Banco CrediCoop, Annual Report 2018, p.40). Cooperative banks can also promote specific methods, through the NAFSCOB impulse, as cooperative banks do in promoting tools for irrigation, creating awareness on conservation/optimum usage of available water resource, by adopting scientific

methods of irrigation (i.e., Drip irrigation system), by way of monetary support and increasing awareness quotient across rural sector.

“The growing importance of climate change issues has led institutions to support a number of initiatives: PRI/UNEP FI, CDP, the Shift Project in particular, but also, and above all, by adapting the offer made to customers” (Communication on Progress, Crédit Mutuel, 2019).

The first implication of cooperative banks in favour of the environment is therefore to reduce their environmental impact, which is measured through their paper consumption and their impact in terms of greenhouse gases. Employee awareness policies have been implemented to promote good practices (carpooling, rail transport, etc.), which are numerous and generally shared on the intranet sites of the various establishments. Several works on supplier relations also integrates an environmental dimension into the purchasing policy. In accordance with French regulations, the banks have fulfilled their obligations with regard to the publication of greenhouse gas emission reports (Beges) and the performance of energy audits of its facilities. Several cooperative banks, as Crédit Mutuel, are also certified ISO 50001.

The CSR dynamic, strongly developed in the OECD countries, is spreading throughout the world. It has even accelerated with the fact that CSR enables cooperative banks to build a bond of trust with their members, particularly in a context of crisis. As such, cooperative banks are actors that can change behaviour through specific funds. Several financial tools can be used to support actions in favour of the climate. Some cooperative banks are real players that help change perceptions, such as Rabobank, a real "greentech" financial in the Netherlands. Several cooperative banks, as Crédit Agricole in France, contributes to the development of initiatives of labels as: Green Bonds Principles, Portfolio Decarbonization Coalition, Mainstreaming Climate Action Within Financial Institutions, Catalytic Finance Initiative, French Business Climate Pledge, and Finance for Tomorrow. By this way, cooperative banks demonstrate the involvement for the climate (Crédit Agricole website).

### **Cooperative banks targets**

- Contribute to the fight against global climate change

### **Cooperative banks indicators**

- Measure the greenhouse gas impact of the cooperative bank (kt of CO2 equivalent) and the paper consumption per employee.
- Green bonds / Socially responsible investing (SRI)/ other bonds or Financial products for the climate (\$ millions).

**International day of Cooperatives (IDC)2020:**

The of theme of the IDC 2020 is “Cooperatives for Climate Action: Sustainable Development Goal (SDG)13 on Climate Action”. Therefore, a couple of examples of Action by cooperatives in two countries is illustrated.

**Example of KENYA:**

**Financial Co-operatives/SACCOs in Kenya: access credit to plant trees and support environmental conservation**

The Kenya Union of Savings and Credit Co-operatives (KUSCCO) partnered with The Nature Conservancy (TNC), an environmental conservation organisation, to implement a project to increase tree planting and sustainable wood supply in Kenya, through smallholder forestry initiatives. Dubbed ‘KUZA MITI’ which is Swahili for ‘grow trees’, the project is aimed at commercializing tree planting in Kenya through the co-operative movement and also support environmental conservation. Through this project, financial co-operatives, popularly known as Savings and Crédit Cooperatives (SACCOs) can access certified tree seedlings from the Tree Biotechnology Program Trust (TBPT), for planting within their communities, and thus contribute to achieving 10% forest cover in the country. In so doing, financial co-operatives are taking urgent action to combat climate change and its impacts in line with Goal 13 of the Sustainable Development Goals.

KUSCCO also launched an agri-business product for small scale farmers in SACCOs to provide credit to farmers, to purchase irrigation equipment, farm inputs and also insure their crops against adverse weather conditions. The project is being implemented in collaboration with SNV Kenya and aims at creating financial access to agricultural SACCOs for optimum crop production using green energy technologies. KUSCCO also

commissioned a borehole for Kanoto Horticultural Farmers' Co-operative in rural Kenya for a crop irrigation system through an agricultural lending product developed in collaboration with the World Council of Credit Unions (WOCCU). The irrigation system, consisting of a borehole and solar pump, will allow the 90 members of the Kanoto Horticultural Farmers' Cooperative to produce French beans for commercial sale.

Through KUSCCO's Central Finance Fund department, three agronomists were employed to enable farmers access advisory services including tree selection, growing, maintenance, survival, soil type among others. They also have progressive support—from planting, agroforestry best practices, preventive care, maturity and harvesting. One acre piece of land, can accommodate 850 trees which helps farmers in income generation, environmental conservation, as well as forest cover contribution.

So far, the project has been implemented in the Mt. Kenya region, specifically in Nyandarua County; Kinangop and Olkalou. It has also been implemented in Kiambu County; Lari and Kiambaa. In Aberdare SACCO, tree planting took place in February 2020 and 8,150 certified tree seedlings were planted. The preferred tree types are grevillea, cypress, pine, casuarina, eucalyptus, and indigenous trees, which mature faster in 3-5 years. The demand for timber in Kenya is high and it is mainly used for furniture, electricity poles, building and construction, fencing posts, biomass energy and printing paper.

To qualify for a loan, a SACCO submits their loan application to KUSCCO, attaches all required documents and estimates the loan size. To access a loan from the SACCO, farmers provide proof of undisputable access by lease and/or ownership of land available for tree planting. Thereafter, farmers are trained by KUSCCO agronomists in collaboration with The Nature Conservancy Fund. The farmers are trained in groups of between 30-40 people, and advanced loans by their SACCOs, which they use to purchase certified tree seedlings from the Tree Biotechnology Program Trust (TBPT). The loan is repayable in 12 months, at a 5% loan interest rate on reducing balance basis.

Co-operators in Nairobi, Kenya's capital city, also plant trees annually as part of the activities leading up to the International Co-operatives Day. For the last five years, 1,000 trees have been planted annually and in 2019, 300 co-operators from 120 co-operatives planted trees.

**Example of India :**

Promoting tools for irrigation, creating awareness on conservation/optimum usage of available water resource, by adopting scientific methods of irrigation (i.e., Drip irrigation system), by way of monetary support and increasing awareness quotient across rural sector.

- Banks actively using water harvesting system at their premises for optimum usage of water. Banks also use solar energy as a part of clean energy usage.

Climate change is making the agriculture sector vulnerable, and there is need of confronting climate change through agricultural cooperatives as they are organizations of farmers at gross root level. Agricultural cooperatives can train the farmers how to cope with the change in climate and its impact on agriculture.

Farmers' organizations and agricultural, fisher and forest user cooperatives are effective partners in managing community level responses to natural disasters and climate change. Cooperative enterprises can promote local prevention and adaptation practices that reduce the impacts of natural hazards and climate change. For example, alternative production practices, non-farm rural livelihood options and enterprise diversification can increase the resilience of rural communities when confronted with climatic hazards. Cooperatives and farmer's organizations can also assist in linking rural communities with higher scale public and private institutions. They can, for instance, communicate with rural people to ensure timely early warning about disasters or to promote mitigation strategies. However, there is no "one size fits all" solution, particularly at the local level. Decentralized ways of working that consider local bio-physical, socio-economic and socio-cultural factors are needed, along with coherent national policies to manage risks and adaptation. The proximity of cooperatives and producer organizations to rural people and their capacities to achieve economies of scale by grouping

multiple, small producers mean that they have a key role to play in ensuring rapid, effective and sustained responses to climate change<sup>1</sup>.

Agricultural cooperatives can train its member farmers on following aspects to combat the climate change and its impact on agriculture.

Statistics shows that, the Share of India in per capita émission of CO<sub>2</sub> Is Lohest in the world at around 1 ton per Annam as against 4 tons of world average. Still India has stood by its commitment towards sustainable development by taking all necessary steps towards preservation of environment. India has come with National Environment Policy, an Energy conservation Act, New Electricity Act and agricultural coopératives like IFFCO take steps to combat the climate change in India. UN acknowledged IFFCO's giant leap to counter global warming. Thus, India is taking lead in combating the climate change through its different types of organizations.

#### **Rural Cooperative Banks in India : Interventions :**

- Promoting tools for irrigation, creating awareness on conservation/optimum usage of available water resource, by adopting scientific methods of irrigation (i.e., Drip irrigation system),
  - by way of monetary support and increasing awareness quotient across rural sector.
- Banks actively using water harvesting system at their premises for optimum usage of water.

Banks also use solar energy as a part of clean energy usage

Thus, it may be concluded that, cooperatives are formed on the principles and values such as equity and social responsibility, and therefore, cooperatives along with their governments have to move towards mitigating climate change and its impact of global warming.

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<sup>1</sup> [www.nedac.org.in](http://www.nedac.org.in)

## CONCLUSION

“From the perspective of the contribution of cooperative banks to the SDGs, one of the major challenges for cooperative banks will be to place themselves in a dynamic of sharing their methods, their know-how and their particular attention to the development of their members. One of the major assets of cooperative banks lies in their global, 360-degree approach, enabling them to provide comprehensive support to sensitive populations at all levels of society. This strategy has transformed the fundamental and traditional approach of the "commercial bank" into a "relational bank" for the benefit of its members and society as a whole”. The observations and findings of the study of the selected SDGs clearly revealed that the contributions of Cooperative Banks in paving way for achieving the Sustainable objectives is remarkable.

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## ICBA MEMBERS' CONSULTATION

Country	Organisation	Reply to the consultation Consultation of Annual/CSR Report or website
Argentina	Instituto Movilizador De Fondos Cooperativos, Cooperativa Ltda. (IMFC)	Consultation of the web site
Argentina	Banco Credicoop Coop. Ltd. (BCCL)	Consultation of Annual / CSR Report
Bangladesh	Bangladesh Samabaya Bank Ltd (BSBL)	Consultation of the web site
Bulgarie	Central Cooperative Bank Plc (CCB)	Consultation of the website / Annual Report
Canada	Desjardins	Consultation of the web site
Chile	COOPEUCH Ltd. Cooperativa de Ahorro y Crédito	Consultation of the website of Coopeuch / consultation of the website Foundation
Cyprus	Co-operative Central Bank Ltd. (CCB)	Cooperative closed
Cyprus	Cyprus Turkish Cooperative Central Bank Ltd (KoopBank)	Reply to the consultation / Consultation of the website
France	Fédération Nationale du Crédit Agricole	Consultation of Annual / CSR Report
France	Confédération Nationale du Crédit Mutuel	Consultation of Annual / CSR Report/ Communication on Progress Global Compact
France	Crédit Coopératif	Consultation of the website / Annual Report / website of the Foundation
France	Fédération Nationale des Caisses d'Épargne (FNCE)	Consultation of the website / CSR Report
Germany	DGRV - Deutscher Genossenschaftsund Raiffeisenverband e. V.	Reply to the consultation / Consultation of the website
Haiti	Union Cooperative Agricultural Credit and Rural of Haiti (UNICAGRIH)	Consultation of the web site
India	National Co-operative Union of India (NCUI)	Consultation of the web site
India	National Federation of State Cooperative Banks Ltd. (NAFSCOB)	Reply to the consultation / Consultation of the website / Annual Report
India	The Karnataka State Cooperative Apex Bank Ltd	Consultation of the web site
India	The Telangana State Cooperative Apex Bank Ltd	Consultation of the web site
India	The Delhi State Cooperative Bank Ltd	Consultation of the web site
India	Buldana Urban Co-operative Credit Society Ltd. (BUCCS)	Consultation of the website
India	National Co-operative Agriculture & Rural Development Banks' Federation Ltd. (NAFCARD)	Consultation of the website
India	Andhra Pradesh State Cooperative Bank Ltd (APCOB)	Consultation of the website
India	National Cooperative Development Corporation (NCDC)	Consultation of the website

India	National Federation of Urban Cooperative Banks and Credit Societies Ltd. (NAFCUB)	Consultation of the website
International	European Association of Co-operative Banks (EACB)	Informations given by EACB regarding the consultation
Italy	Federation Italiana delle Banche di Credito Cooperativo (Federcasse)	Consultation of the website
Japan	The Norinchukin Bank	Consultation of the CSR Report / website
Kenya	Co-operative Bank of Kenya Ltd (CBK)	Consultation of the website
Kenya	Kenya Union Of Savings & Credit Cooperatives Ltd. (KUSCCO)	Reply to the consultation / Consultation of the website / Annual Report
Nigeria	Cooperative Mortgage Bank Ltd (CMB)	Consultation of the website
Nigeria	Odua Cooperative Conglomerate Limited (OCCL)	Consultation of the website
Paraguay	Cooperativa Universitaria Ltd.	Consultation of the website
Philippines	MASS-SPECC Cooperative Development Center	Consultation of the website / Annual Report
Philippines	Aurora Integrated Multipurpose Cooperative (AIMCoop)	Consultation of the website (Facebook)
Poland	National Cooperative Council (NCC)	Consultation of the website / Communication on Progress Global Compact
Regional	Regional Banking Committee - ICA-AP	-
Somalia	Somali Union Cooperatives Movement (UDHIS)	Consultation of the website
Sri Lanka	SANASA Federation Ltd in Sri Lanka	Consultation of the website
Sri Lanka	Sri Lanka Consumer Cooperative Societies Federation Ltd. (COOPFED)	Consultation of the website
Ukraine	Central Union of Consumer Societies of Ukraine (UKOOSPILKA)	Consultation of the Communication on Progress Global Compact
Uruguay	ACAC	Consultation of the website
USA	National Cooperative Bank (NCB)	Consultation of the website / of the Annual Report / Mission Report

## DEFINITION

**Social Impact Bond:** « A social impact bond (SIB) is a contract with the public sector or governing authority, whereby it pays for better social outcomes in certain areas and passes on the part of the savings achieved to investors. A social impact bond is not a bond, per se, since repayment and return on investment are contingent upon the achievement of desired social outcomes; if the objectives are not achieved, investors receive neither a return nor repayment of principal. SIBs derive their name from the fact that their investors are typically those who are interested in not just the financial return on their investment, but also in its social impact », Investopedia, <https://www.investopedia.com/terms/s/social-impact-bond.asp>.

**Green bond** is a bond specifically earmarked to be used for climate and environmental projects. These bonds are typically asset-linked and backed by the issuer, balance sheet, and are also referred to as climate bonds, Investopedia, <https://www.investopedia.com/terms/g/green-bond.asp>.

**Socially responsible investing (SRI)**, also known as social investment, is an investment that is considered socially responsible due to the nature of the business the company conducts. Common themes for socially responsible investments include socially conscious investing. Socially responsible investments can be made into individual companies with good social value, or through a socially conscious mutual fund or exchange-traded fund (ETF), Investopedia, <https://www.investopedia.com/terms/s/sri.asp>.

EXPLANATION: The Objective of the present project is not to show how many SDG targets might be achieved by cooperatives but to identify the prioritized SDG targets of each sector to make more focused efforts at the sectoral and global level.

**List of Members of Board of Directors of ICBA**

<b>Sl. No.</b>	<b>Name and representing Organization</b>	<b>Position in ICBA</b>
1	Mr. Subrahmanyam <b>BHIMA</b> Managing Director National Federation of State Cooperative Banks (NAFSCOB), India	President
2	Mr. K. Sivadasan Nair Chairman ICA AP Committee on Credit & Banking ICA AP Regional Office New Delhi-India	Vice- President
3	Ms. Isabelle FERRAND CEO Deputy Confederation National du Cr�dit Mutual, Central Body 88-90, rue Cardinet 75847 Paris Cedex 17, France	Board Member
4	Mr. George Magutu Mwangi Board Member Kenya Union of Savings & Credit Co-operatives Ltd. (KUSCCO)	Board Member
5	Mr. Mieczyslaw Grodzki President, National Co-operative Council – NCC, Poland	Board Member
6	Mr. Kabir Ayinde-Tukur MD/CEO Cooperative Mortgage Bank Ltd. (CMB), Nigeria	Board Member
7	Mr. Ravinder Rao Konduru Board Director, NAFSCOB India	Board Member
8	Mr. Ahmed Mohiuddin Chairman Bangladesh Samabaya Bank Limited (BSBL) Bangladesh	Board Member