

Regional Conference

Credit & Banking Committee
November 07, 2023
Facilitator: Mr. Kulbhushan Kukreja

Title: Regional Conference on Credit & Banking Cooperatives

The ICA-AP Credit and Banking Committee during its meeting in conjunction with the Regional Assembly in Manila, Philippines propose to hold a Seminar on November 7, 2023 on the following themes:-

Theme 1 - Financial Cooperatives and Sustainable Development Goals

Theme 2 - Regulatory challenges faced by financial cooperatives in Asia Pacific

The Committee has picked up the above themes on the background of the general theme of 'Cooperatives – our common agenda' selected by ICA-AP for its biennial event of Asia Pacific Cooperative Forum being held along with the Regional Assembly 2023 in Manila. The United Nation's 'Our common agenda' report lists the global challenges for sustainable development goals in the context of covid-19 pandemic, worsening economic conditions in many countries, ravaging impact of climate change on agricultural production, environment and life on earth and water etc., in general. The report also recommends actions to address these challenges and to accelerate the progress and realization of the goals by 2030. The ICA, underscoring its commitment to the agenda for sustainable development has created avenues and platforms to build a common agenda for cooperatives and formulated the ICA strategy plan 2020-2030 which seeks to position cooperatives as the acknowledged leader in economic, social and environmental sustainability, the model preferred by people and the fastest growing form of enterprise.

Theme 1 - Financial Cooperatives and Sustainable Development Goals

The 2030 Agenda for Sustainable Development adopted by United Nations in 2015, provides a blueprint for peace and prosperity for people and planet now and in the future. At its core are the 17 Sustainable Goals (SDGs) which are an urgent call for action by all countries, both developed and developing, in a global partnership. All the 17 goals are interconnected and need to be achieved together by 2030. Cooperatives as business enterprises with social and environmental commitments can contribute substantially to sustainable development goals. When we are in the midpoint of the implementation of the Agenda for Sustainable Development in 2023, there has been lot of attention on the contributions of cooperatives towards realization of SDGs in which they are involved and engaged the most such as SDG1 (No poverty), SDG5 (Gender equality), SDG8 (Inclusive growth) and SDG13 (Climate action). Financial cooperatives are deeply involved in realizing these goals both directly as well as through the projects, activities and other enterprises they finance.

Credit is crucial in economic and social empowerment of poorer sections. Financial cooperatives provide access to credit and other financial services particularly to people in the lower stratas

of the society who otherwise would remain excluded from the financial system. International Cooperative Banking Association (ICBA) in a study conducted in 2020 found that out of 17 sustainable development goals, following 9 are most relevant to financial cooperatives.

Goal 1 : Poverty elimination

Goal 2 : End hunger, achieve food security and sustainable agriculture

Goal 3 : Healthy lives and well-being.

Goal 4 : Quality education

Goal 5 : Gender equality and empower women and girls

Goal 7 : Access to affordable, reliable, sustainable and modern energy for all.

Goal 8 : Promote sustainable economic growth, Productive employment and decent work for all

Goal 9 : Sustainable cities

Goal 13: To combat climate change

However, in many countries in Asia Pacific financial cooperatives also provide a range of nonfinancial services to their members encompassing almost all sustainable development goals. For instance, about 90000 Primary Agricultural Credit Societies in India which are basically credit cooperatives meant for giving loans to farmers are currently in the process of converting themselves into multipurpose societies. These societies are now permitted to undertake a range of noncredit functions for the benefit of their members such as warehousing, processing and marketing of agricultural produce, supply of inputs to farmers, leasing of agricultural machinery, running supermarkets, hospitals, education institutions etc., along with their basic function of advancing credit to farmers.

There are numerous cases of financial cooperatives in the Asia Pacific in making remarkable contributions to SDGs though research and compilation of information for the sector as a whole, on this important aspect are yet to pick up. The ICA AP Seminar on the theme of Financial Cooperatives and SDGs will also be an occasion to make a beginning in this direction.

(Cristina M. Liamzon, will present the expert view on " Financial Cooperatives and Sustainable Development Goals")

Theme 2 - Regulatory challenges faced by financial cooperatives in Asia Pacific


Financial cooperatives in Asia Pacific consists of varied types of cooperatives and mutuals engaged in providing financial and insurance services to their members or community at large. They include cooperative banks which provide a wide range of financial services and credit societies/credit unions which offer mainly saving and loan products to their members. These institutions also range from small community owned societies to large banks with countrywide operations. Financial cooperatives are linked strongly to cooperatives in other sectors as financial partners. The health and strength of financial cooperatives, therefore, have great bearing on cooperatives across sectors in realizing their goals. A robust regulatory system is essential for financial cooperatives to grow while maintaining stability, high level of member and

public confidence and protecting their clients under all circumstances. Though there are not much similarities in the regulatory framework for financial cooperatives in different countries in the region, even for the same type of institutions there are certain common challenges faced by them. Dual control, government interferences, excessive control infringing autonomy and independence, the trend of on-going reforms leading to dilution of cooperative character and erosion of cooperative advantages and competitive strength etc., are some of the serious challenges they are facing today. At the same time, central banks also face the challenge of ensuring safety of public deposits with cooperative banks and averting the cascading effect of failure of a cooperative bank on the entire sector, without adequate control over their governance. For instance, the failure of Punjab and Maharashtra Urban Cooperative Bank in India in September 2019 due to serious lapses in governance led to erosion of public confidence in cooperative banks as a whole. These developments ultimately led to the amendment in BR Act of India to regulate cooperative banks more or less at par with other scheduled banks. The Seminar on the above background will discuss the complexities in the regulatory environment of cooperative banks and other financial cooperatives and the reforms required in the system to ensure consumer protection, transparency in operations and controlling risks while maintaining their cooperative character.

(Presentation on "Regulatory challenges faced by financial Coops in Asia", will be shared by members in their respective country)

Time and Venue	10:00 – 12:30, Manila, Philippines
Tentative Agenda	Regional Conference on Credit & banking Committee: <ol style="list-style-type: none"> 1. Financial Cooperative and Sustainable Goals. 2. Regulatory challenges faced by Financial Coops in Asia & Pacific
The event is open to All	

Speaker profile

	<p>Cristina M. Liamzon is co-coordinator of the Ateneo ALSE OF-LIFE Program for migrant Filipinos, a 6-month empowerment and capacity building program under the ASG Executive Education Program to help overseas Filipinos and their families improve their leadership skills, financial well-being, social entrepreneurship and contribute as well to their communities towards nation building.</p> <p>She has worked as a development consultant on agrarian reform and rural development issues, gender and development, civil society organizations, and migrant concerns. She holds a BA in Economics from the University of the Philippines (UP)-Diliman, an MSc in Human Settlements Planning from the Asian Institute of Technology (AIT) in Bangkok, an MPA from the Harvard Kennedy School in Cambridge where</p>
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she was also a Mason Fellow, and a PhD in Social Science from the Pontifical Gregorian University in Rome.

She has written on issues related to the situation of Filipino migrants, food security and rural development. She was a co-awardee of the Xavier University Fr. William Masterson Award for Social Development in 2013, and became a Philippine Ashoka fellow in 2015. She was a recipient of the Go Negosyo Women Entrepreneurs and the Global Fairness Award, both in 2016. She is presently a part-time core faculty of the Ateneo School of Government (ASG) and a part-time faculty of the Economics Department of the Ateneo de Manila University (ADMU).