

The EBA Project

Cross-learning for better laws to support the co-operative movement



International Co-operative Alliance
**Global Conference
and General Assembly**

14-17 November 2017, Kuala Lumpur, Malaysia

Co-operatives: Putting People at the Centre Of Development

Presented by Bill Garthwaite
<http://eba.worldbank.org>



The importance of the legal framework

- Governments have a critical role to play in the creation of a supportive legal framework for sustainable co-operative development – within the context of their broader development objectives.
- The **EBA Project** studies how countries use their laws and regulations to *help farmers and feed more people*. The EBA Project currently collects legal information relevant for **co-operatives** from two perspectives:



EBA Markets Producer Organizations

<http://eba.worldbank.org/data/exploretopics/markets>



EBA Finance Financial Co-operatives

<http://eba.worldbank.org/data/exploretopics/finance>



EBA Markets - Producer Organizations

- **EBA Markets** measures the regulatory environment impacting the ability of farmers to **bring their products to market**.

EBA Markets Focus

Strong legal framework

Strong producer organizations

Improved market access

Sustainable farming and more available food

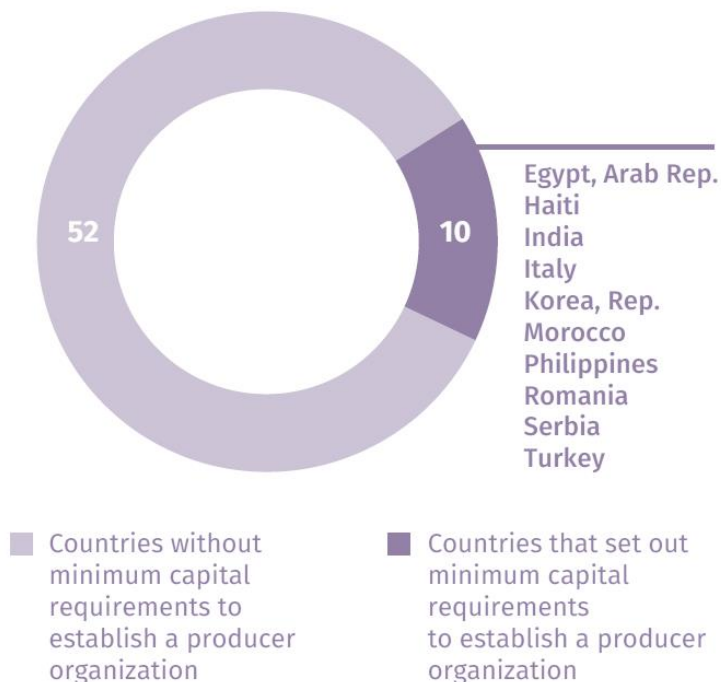
- Producer organizations – including **co-operatives** – play a key role in enhancing market access:
 - ✓ Economies of scale → facilitate compliance with regulatory requirements, negotiation of long term agricultural contracts



EBA Markets - Producer Organizations

- Law can support the **establishment, operation and inclusiveness** of co-operatives and broader producer organizations:
 - ✓ No minimum capital requirements.
 - ✓ Registration occurs within a specific timeframe, rejections must be explained.
 - ✓ No cap on dividends, and profits may be distributed in the form of shares.
 - ✓ No limitations on membership.
 - ✓ Government shares are prohibited.
 - ✓ Open membership and nondiscrimination applies.
 - ✓ Women's participation is encouraged.

Example – Minimum Capital Requirements



Source: EBA database.



EBA Finance – Financial Co-operatives

- **EBA Finance** measures the quality of laws and regulations that promote **access to financial services**.

EBA Finance Focus

Strong legal framework

Strong financial co-operatives

Better access to money to invest in farming

Sustainable farming and more available food

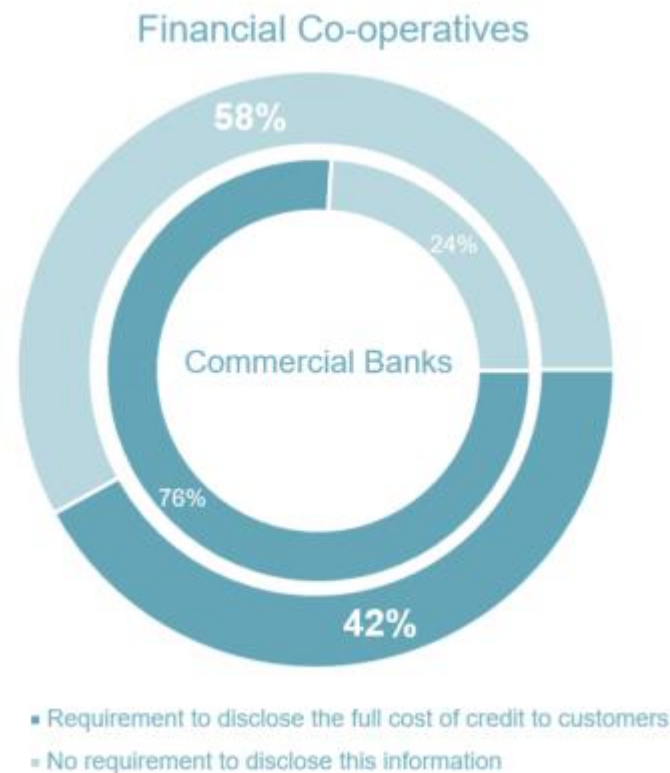
- ✓ **Financial co-operatives** are important providers of credit and financial services to smallholder farmers and agribusinesses.
- ✓ Legal frameworks that support non-bank lending institutions, such as financial co-operatives, can greatly facilitate access to credit in rural areas.



EBA Finance – Financial Co-operatives

- Law can support the **establishment and operation** of financial co-operatives so that farmers can access money to fund their activities:
 - ✓ Prudential rules to protect customers and allow co-operatives to access financial infrastructure.
 - ✓ Consumer protection mechanisms like deposit insurance systems and information disclosure.
 - ✓ Mergers allowed.

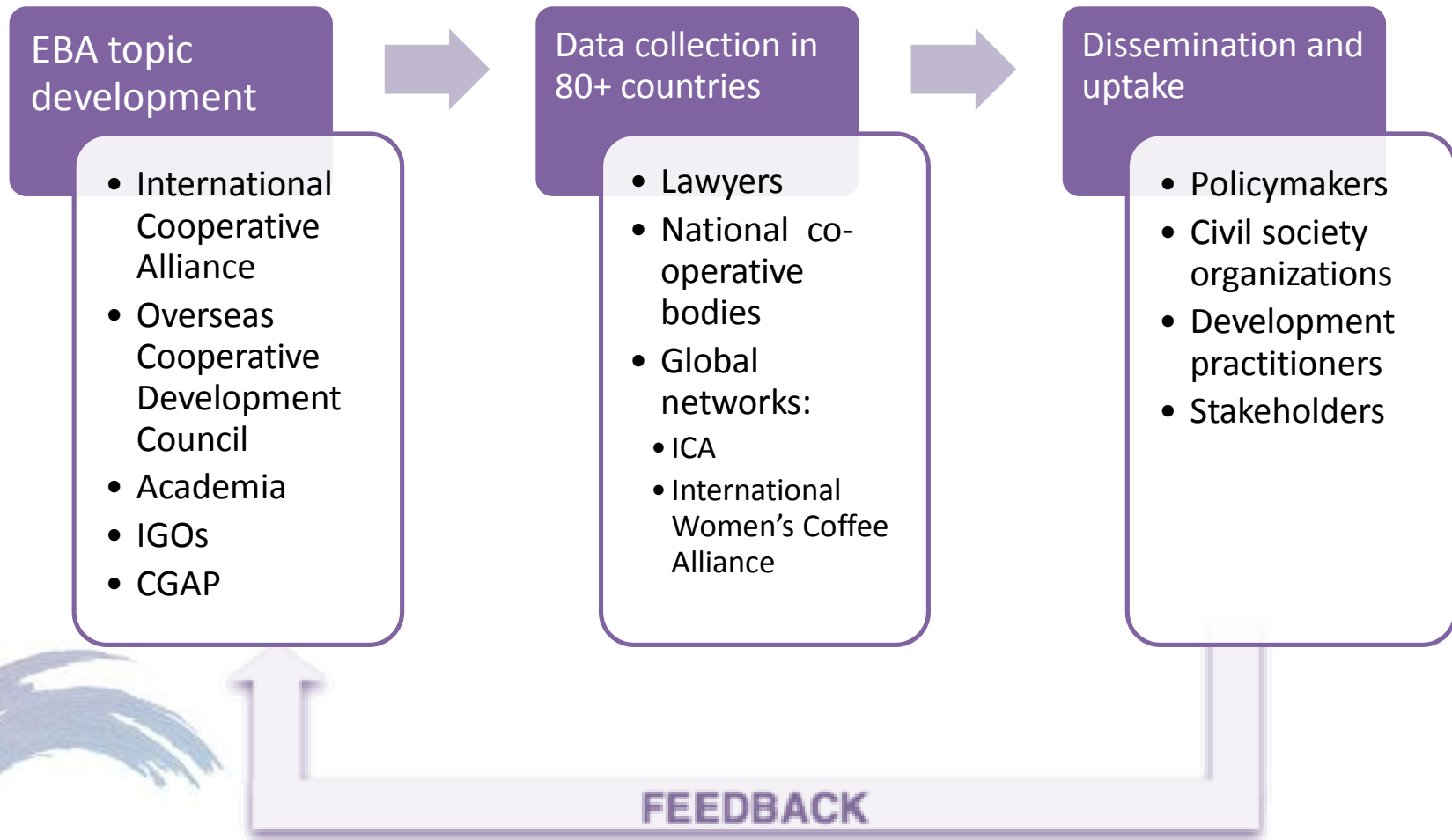
Example – Disclosure Requirements



Source: EBA database



Co-operatives and the *EBA Project* cycle





Thank you!

Check out the *EBA Project* data
on our website:
eba.worldbank.org

Or email us at:
eba@worldbank.org

