

## **Vanuatu Legal Framework Analysis: Key Highlights**

This one-pager aims to provide a brief overview of the most notable features of Vanuatu's national cooperative legal framework, based on the work of national legal expert and ICA member input.

The main cooperative law in Vanuatu is the Co-operative Societies Act. It came into force in July 1987. This law is an example of the British Indian Pattern of Co-operatives (BIPC) model, which was built to serve as a rural economic development tool. The Co-operative Societies Act is flexible enough to accommodate variety of cooperative types including consumer, producer, worker, and financial cooperatives. The act doesn't make any reference to social cooperatives, but it does provide for the establishment of school cooperatives.

### **Main Regulations:**

Co-operative Societies Act [CAP 152]

Co-operative Societies (Amendment) Act No. 10 of 2011

Cooperative Societies (Amendment) Act No. 34 Of 2017

Co-operative Societies Rules Order No. 37 of 1987

Co-operative Societies (Co-operative Development Fund) Rules Order No. 1 of 2000

Co-operative Societies Rules (Amendment) Order No. 23 of 2001

Cooperative Societies (Cooperative Development Fund Rules) (Amendment) Order No. 11 of 2006

Co-operative Societies Rules (Amendment) Order No. 106 of 2018

By-laws for Co-operative Consumers and Marketing Society Limited

By-laws for Co-operative Savings and Loans Society Limited

Vanuatu's cooperative legal framework includes general and specific application of some of the cooperative principles.

**Cooperative Friendliness:** The Co-operative Societies Act [CAP 152] is more cooperative unfriendly than friendly, because the law has not been adapted in any way to the cultural, economic and social circumstances of Vanuatu and it is plural legal system. Instead, it's based on a template law known as the British Indian Pattern of Co-operation (BIPC).

**Key recommendations for improvement:** Definition of a cooperative to provide a clear identity for cooperatives in Vanuatu. Need for a reference to cooperative principles as a guideline for both internal governance and external regulation. Also, a review of the functions of the Registrar is needed to relieve the same of the regulatory burdens and to encourage self-regulation of cooperatives. Revised legislation to give more attention to the formation and support of school cooperatives with a possible reduction in minimum age, say 13 years.

**Conclusions:** While Vanuatu's current cooperative law is outdated and undergoing revision, the Registry has been active in renewing and refreshing cooperative policy with the adoption of a 5-year National Competition Policy (2017 – 2022), supported by a 3-year business plan and annual work plan.

