



## Collaboration

**CBDA Board**  
**The 73<sup>rd</sup> International Credit Union**  
**Day with the CBDA**  
**Eswatini SACCO movement**



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## Editorial

**T**he Co-operative Banks Development Agency (CBDA) is currently in the preliminary phase of a the merger between the CBDA, Small Enterprise Finance Agency (sefa) and Small Enterprise Development Agency (Seda). This has taken the forefront of everything that is taking place within the CBDA, where we had to list priority items as well as put some items on hold due to the merger.

The three extensions of the initial secondment of the acting Managing Director came to an end on 30 September 2021 and CBDA is still waiting for an acting Managing Director to be appointed for the interim period before transitioning into the new entity under the Department of Small Business Development.

The CBDA also said its "Goodbyes" to Kobus van Niekerk, who managed the Central Support Services project and, spent the past year as the acting board secretary of the CBDA board until his contract ended on 14 September 2021.

We are excited to present to our stakeholders our deputy chairperson, Mr Paul Rossouw and the chairperson of our Human Resource and Remuneration Committee, Ms Thulisile Njapa-Mashanda's profiles, who have a wealth of experience in their respective areas of expertise and add value to the leadership of the CBDA, Board and other committees.



*Catherine Whitley*

Due to COVID-19 and the adjusted alert level 1 regulations, the Capacity Building unit started with some on-site support in the North West, Eastern Cape and KwaZulu-Natal provinces.

**“The highlight of this quarter was the International Credit Union Day (ICUD) hosted on 21<sup>st</sup> October 2021 by the Co-operative Banks Development Agency in South Africa with the focus on:-**

This was an online event hosted via MicroSoft Teams. The Sector had the honour to be addressed by the Prudential Authority CEO, executive members of FSCA, FIC, and a presentation on the South African Cooperatives Sector Strategy Paper delivered by a delegate from the World Bank. The ICUD event also offered a platform where digital companies presented their products. The final paper is being prepared for publication by the World Bank Group colleagues and will be presented to the entire sector and published on our website for implementation. Programmes are currently being established with the Strategy Paper as a guideline to support this vision. A comprehensive article on all the above is published in this newsletter.

The CBDA was also invited to a workshop by the Department of Small Business on the 13<sup>th</sup> of December 2021, where the draft National Integrated Small Enterprise Development (NISED) Framework was discussed. This gave the CBDA a better understanding of where it fits in the merger currently taking place and what its role should be in the future within the SMME’s and Cooperatives sectors.

INTERNATIONAL CREDIT UNION DAY®

**BUILDING**  
FINANCIAL HEALTH  
FOR A  
**brighter tomorrow™**  
WITH A CREDIT UNION

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CBDA

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# CBDA Board

By Catherine Whitley



Chairperson,  
HR&R Committee

## Ms Thulisile (Thuli) Njapa Mashanda

[CA(SA),RA]

Thuli is a qualified female-chartered accountant and registered auditor with over 24 years of invaluable experience in audit and financial disciplines covering a broad variety of industries from start-up business, to listed companies, SOEs, PFMA, MFMA and private owned entities.

She currently serves on the following Boards and or board sub-committees as an independent member, NERSA (National Energy Regulator of South Africa), Ithuba, BrandSA, SACNASP (South African Council for Natural Scientific Professions), MIBFA (Metal Industries Benefit Fund Administrators). She also served as a member on the following boards;- **MERSETA** (independent audit committee member and later Chairperson of Audit and Risk Committee from 2010 to 2018, **Public Protector** (audit committee member and chair at a later stage from 2001 to 2005), **National Nuclear Regulator** (NNR) (board and audit committee member from 2003 to 2005), **PIKITUP** (director and audit committee member from 2009 to 2013), **Gauteng Treasury** (audit committee member) and **Bojanala Platinum District Municipality** (audit committee member 2010).

She also worked in the forensic side of things for a little while. Thuli has hands-on experience in providing professional advice in strategic disciplines such as financial reporting, taxation, SCM processes, auditing, forensic accounting and corporate finance. A competent, decisive and dedicated executive financial professional poised to deliver results according to the accounting and auditing standards. Rich mix of skills in technical accounting area, operations, analytical skills and leadership talents. A change agent; acknowledged for balanced judgment, stability, and capacity to steer consensus among core business disciplines.



## Mr Paul Rossouw

Deputy Chairperson

Paul is a qualified legal expert with B.Comm, B.Proc, LLB degrees and diplomas and certifications in Import/Export, Legislative Drafting and Forensic Investigation. He has vast experience gained through years with the Prudential Authority/South African Reserve Bank where he was responsible for: Insurance Act, Long Term Insurance Act, Short Term Insurance Act, Banks Act, Mutual Banks Act and Co-operative Banks Act.

He was also instrumental in drafting of legislation related to financial sector laws such as Supervision and regulation of co-operative banks, Deputy Chairperson of the Policy Committee, Divisional Head: Sanctions, Enforcement and Resolution.

His hobbies are squash, tennis, archery, oil painting, hiking and golf.

## Mr Velile Pangwa

[CA(SA),RA]

Velile is a qualified chartered accountant and registered auditor. He completed his articles with Deloitte in 2005 and was appointed as a manager in 2006. He then joined an accounting firm (TS Zakuza Inc.) in 2007 where he was a technical partner. He is a founding partner of ANF Inc and his main focus is on governance, financial management and external audit. Over the years his main clients were in insurance and reinsurance brokerage, retail, information technology, automotive industry, transport, logistics, manufacturing and public sector auditing both internal and external. He has assisted some of his clients as part of the CFO support by addressing challenges raised by the Auditor General regarding performance management, human resource management and risk management strategies.

He has been appointed by the **Auditor General of South Africa (AG)** to be part of the panel of quality assurance reviewers since 2016. He has served in a number of governance committees at national and provincial level and amongst these and others include the **CCMA, Nedlac, Limpopo Provincial Treasury, Northern Cape Provincial Treasury, Eastern Cape Liquor Board, Eastern Cape Provincial Legislature, IRBA Education and Transformation Committee, Buffalo City Metro Municipality, CBDA Appeals Committee and later the CBDA Board.**

He brings a wealth of experience obtained over the years in governance, risk management, performance management and financial management.





# The 73<sup>rd</sup> International Credit Union Day with the CBDA

By Raesibe Mphahlele



International Credit Union (ICU) Day is celebrated on the third Thursday in October annually, since 1948. This is the day to reflect on the history of the credit union movement, create awareness about the importance of credit unions and to share experiences and

achievements. ICU day is dedicated to raising awareness about what it means to have a financial co-operative as a trusted financial partner ([CUNA](#)). The theme for the year 2021 is “*Building Financial Health for a Brighter Tomorrow*” which highlights the way that financial co-operatives contribute to a brighter future by working to improve members’ financial well-being.

According to the World Council of Credit Unions ([WOCCU](#)), “A credit union is a customer/member owned financial cooperative, democratically controlled by its members, and operated for the purpose of maximizing the economic benefit of its members by providing financial services at competitive and fair rates”. In the South African context credit unions are Co-operative Banking Institutions which are Co-operative Banks, Co-operative Financial Institutions (CFIs), Savings and Credit Cooperative Societies (SACCOs) and Financial Services Co-operatives (FSCs).

On 21 October 2021; the CBDA joined the global credit union family in celebrating the 73<sup>rd</sup> anniversary of ICU Day by hosting the co-operative banking sector to an online exhibition. The online exhibition aimed to raise awareness about financial co-operatives while giving the sector an opportunity to interact with Regulators, technology systems providers and to promote existing and possible support structures that will drive the sector towards sustainability and growth.

The ICU Day 2021 virtual exhibition started off with a presentation of the Co-operative Banking Sector Development Strategy, which is developed by the Strategy Development Working Group

(SDWG) from the March 2021 Indaba hosted by the CBDA. The SDWG was assisted by the World Bank with documenting the direction that the sector chose during the March 2021 Indaba. From the options presented at the Indaba, the sector chose the vision which has a targeted approach for co-operative banking institutions to serve workers and communities. The strategy was presented to the sector in the ICU Day 2021 virtual exhibition and will be made available for members to engage the document further.

Following the Co-operative Banking Sector Development Strategy presentation by Dave Grace, attendees of the ICU Day virtual exhibition followed their chosen tracks, being the regulatory track: *engage the sector*, the support track: *build the sector* and the technology track: *modernise the sector*. The regulatory track gave the sector an opportunity to engage with the Prudential Authority, the Financial Sector Conduct Authority and Financial Intelligence Centre on developments within the regulatory landscape of the sector. In the support track, attendees were made aware of the various support structures and programmes that are available for growth and sustainability of financial co-operatives. Participants in the support track were the Small Enterprise Development Agency ([SEDA](#)), the Gauteng Department of Economic Development ([GDED](#)) and the Deutscher Genossenschafts-und Raiffeisenverband ([DGRV](#)). The technology track allowed the attendees to interact with various technology providers through presentation of solutions that are available to modernise operations and assist in the move towards a digitally transformed sector. In this track solutions were presented by [KWARA, Sinebhongo technologies](#), DGRV and Caratec Consulting.

The ICU Day 2021 virtual exhibition was well attended and ended off with a survey indicating that attendees would like frequent engagements with all sector participants and regulators as a means of sharing information, enabling efficiencies, and building a sustainable co-operative banking sector. The 74<sup>th</sup> anniversary of International Credit Union Day will be on Thursday, 20 October 2022.



## The difference between **A Co-operative Financial Institution (CFI) and Co-operative Bank (Coop Bank)**

By Tebogo Tshabalala



The Co-operative Banks Act defines these two institutions as following:

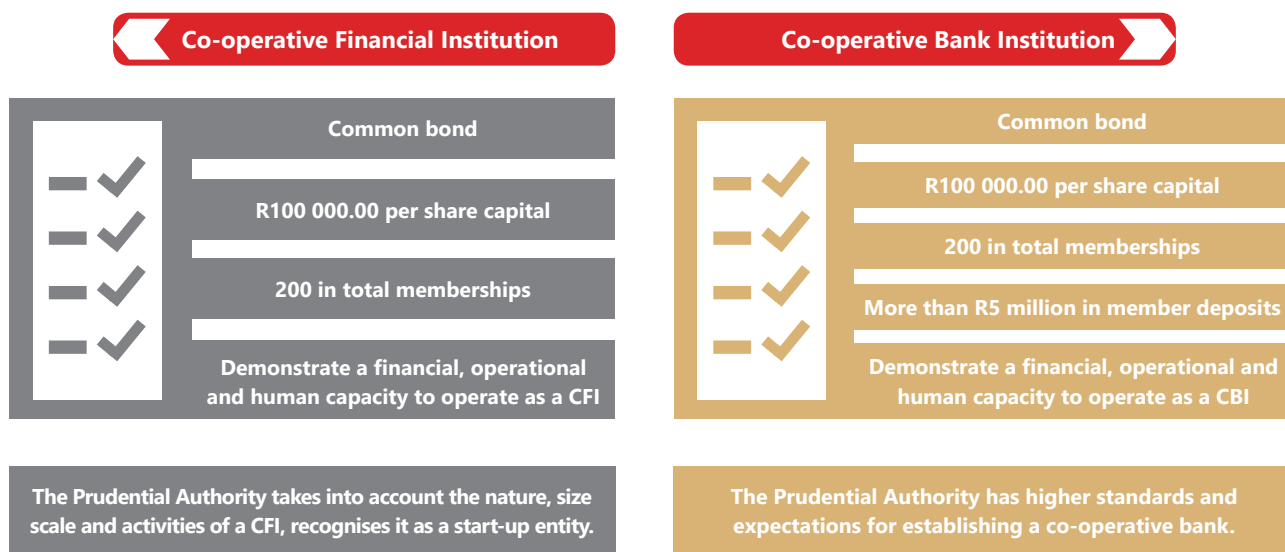
*"Co-operative Bank"* means a cooperative or a co-operative financial institution registered as a co-operative bank in terms of this Act whose members; -

- a) are employed by a common employer or who are employed within the same business district; or
- b) have common membership in an association or organisation, including a religious, social, cooperative, labour, or educational group; - or,

c) reside within the same defined community or geographical area.

*"Co-operative Financial Institution"* means a co-operative that takes member deposits and chooses to identify itself by using the name Financial Co-operative, Financial Services Co-operative, Credit Union or Savings and Credit Co-operative.

The table below stipulates the minimum registration requirements for a CFI and Coop Bank, it also gives a glimpse of the key differences between these two types of institutions.



The Act allows for both natural and juristic persons to be members in both institutions.

**Figure 1: Minimum registration requirements**

Both these institutions operate under a similar model, hence the usage of the umbrella term Co-operative Banking Institution (CBI), more information on the CBI model is detailed on page 3 of the CFI start-up guide which can be found on the CBDA webpage<sup>1</sup>.

However, regulation is stricter for Coop Banks as opposed to CFIs mainly because they are seen as start-up entities, i.e. The current Financial Sector Conduct Authority (FSCA<sup>2</sup>) standards are applicable to Coop Banks however, for CFIs they are still in draft phase (see article on Legislative Update in the previous Newsletter edition). It is mandatory when CFIs reach the member deposit threshold of R5 million to apply with the Prudential Authority to register as a Coop Bank. CFIs are limited to deposit taking to a maximum of R50 million. Ideally, they should have met the minimum requirements to register as a Coop Bank before they reach that threshold.

In essence both these entities operate under the same legislation (Co-operative Banks Act), with a similar model but are differentiated according to the nature, size, scale and activities (mainly the risk associated with those activities) undertaken by that entity.

1 <http://www.treasury.gov.za/coopbank/CFI%20start%20up%20guide.pdf>

2 Financial Sector Conduct Authority



# Exposure visit to Eswatini SACCO movement

By Raesibe Mphahlele and Poppy Thubana



The Exposure Visit to Eswatini took place from 28 November 2021 to 01 December 2021 in Matsapha, Eswatini. The visit aimed to strengthen South African savings and credit co-operatives (SACCOs) by exposing them to interactions that allow for the sharing of information and understanding of financial co-operatives in Eswatini. The visit was hosted and coordinated by the German Cooperative and Raiffeisen Confederation (DGRV) which provides consultancy and support for development of the international co-operative sector. The Co-operative Banks Development Agency (CBDA) officials were invited to participate in the exposure visits with Co-operative Banking Institutions (CBIs) from Eastern Cape, KwaZulu-Natal and North West provinces.

In the official opening of the Exposure Visit; Ms Nonhlanhla Mnisi, Commissioner of Co-operatives in Eswatini, welcomed all the participants and provided a brief background on the history of the co-operative movement in Eswatini, where the Cooperative Societies Proclamation was promulgated in 1964. The movement has evolved into a sector that now has seven hundred and ninety-one (791) co-operatives, with one hundred and thirty-one (131) being financial co-operatives. The membership of Co-operative movement

in Eswatini is at eighty-one thousand and eighty (81 080) with over sixty thousand (62 637) as members of the SACCOs.

Structures in place enables the co-operative movement to unite under one umbrella body through the National Cooperatives Federation of Eswatini, established in October 2020. The primary co-operatives affiliate into the three Apex bodies being the Eswatini Association of Savings and Credit Cooperatives Ltd (ESASCCO), the Eswatini Farmers' Cooperative Union (ESWAFCU) and the Eswatini National Youth Cooperatives Alliance (ESNYCA). The Apex bodies are then affiliated into the Federation resulting in a three-tier structure enabling cooperation among co-operatives.

The programme unfolded with the delegation from South Africa visiting a number of SACCOs in Eswatini over two days. The



Eswatini SACCOs presented their products and services, their recent achievements and allowed for interactive questions-and-answers (Q&A) sessions allowing for further exchange of information. The last day of the Exposure Visit included a visit to the Co-operative College of Swaziland also known as the Co-operative Development Centre (CODEC). The mandate of the college is to provide education and training to the staff, management, board members and general members of the Co-operative Movement. The college offers several courses ranging from short programmes to the Certificate in Co-operative Business Management.

The Exposure Visit preceded the Youth Co-operatives summit which was hosted by the DGRV in partnership with Eswatini National

Youth Cooperatives Alliance (ESNYCA). The Summit commenced on the 30<sup>th</sup> of November and was to end on the 3<sup>rd</sup> of December 2021 under the theme *"rebuilding a sustainable future together, leaving no young person behind"*. The summit was attended by youth leaders of Youth Co-operatives from eight (8) different countries being Botswana, Eswatini, Lesotho, Malawi, Mozambique, Zambia, Zimbabwe, and South Africa.

The last session of the Exposure visit, facilitated by the DGRV allowed for the representatives from the South African SACCOs to reflect on their learnings and possible next steps to take in growing and strengthening the financial co-operatives movement in South Africa.



# Capacity Building Unit Approved Training Calendar for 2021/22

Training Programme	Location	Target Audience	Maximum Number of Delegates per Session	May 2021	August 2021	September 2021	October 2021	November 2021	February 2022
<b>Governance training</b>	2 Onsite	Board of directors/ Manager	25 Virtual – no max; Onsite 15 min – 20 max	<b>28–30 KZN</b> Virtually conducted			<b>7–8 EC</b> Virtually conducted		
<b>Financial Management</b>	1 Virtual; 1 Onsite	Governance committee members, Manager and staff Investment committee Supervisor/ Audit committee	25 Virtual – no max; Onsite 15 min – 20 max			<b>10–12 NW</b> Virtually conducted		<b>18–19 All provinces</b> Virtually conducted	
<b>Credit Committee training</b>	1 Virtual; 1 Onsite	Credit committee members, Manager, Loan officer	25 Virtual – no max; Onsite 15 min - 20 max						<b>24–25 All provinces</b> Virtually conducted
<b>Supervisory/ Audit Committee training</b>	1 Virtual; 1 Onsite	Supervisory/ Audit committee members	25 Virtual – no max; Onsite 15 min - 20 max		<b>26–27 All provinces</b> Virtually conducted				<b>4–6 KZN</b> Should COVID-19 numbers persist the session will be converted virtually
<b>Member education (train the trainer)</b>	Virtual	Education committee, Marketing committee Stakeholders	Min 25 – no max						
<b>Risk Management</b>	Virtual	Board of Directors/ Supervisory committee	Min 25 - no max		<b>19–20 24–25 All provinces</b> Virtually conducted		<b>28–29 24–25 All provinces</b> Virtually conducted		



# CBIs Registered with PA

## From September 2020 to December 2021

By Khuthala Lengisi

Name of CFI/CB	Common Bond	Location	Contact Details
<b>Western Cape</b>			
SA Primary Medical Financial Co-operative Limited	<p>Each member must provide proof of membership to one of the specified professional medical bodies/ organisations prior to being allowed as a member:</p> <ul style="list-style-type: none"> <li>a) Health Professionals Council of South Africa;</li> <li>b) The South African Nursing Council;</li> <li>c) Pharmaceutical Society of South Africa;</li> <li>d) South African Medical, Homoeopathic, Physiotherapy and Psychiatrists Associations;</li> <li>e) Board of Healthcare Funders and the Council for Medical Schemes;</li> <li>f) South African Institute for Healthcare Managers;</li> <li>g) Hospital, Day Hospital and Renal Care Associations of South Africa;</li> <li>h) South African Veterinary Association;</li> <li>i) South African Medical Association;</li> <li>j) Any further groups approved by the Supervisor;</li> <li>k) The Public Health Association of South Africa;</li> <li>l) The South African Medical Device Industry Association; and</li> <li>m) The Professional Provident Society of South Africa.</li> </ul>	Luna Arco Offices 201 Clock Tower Building Waterfront Cape Town 8001	Lydia Hagedoorn <a href="mailto:lydia@medi.coop">lydia@medi.coop</a> <a href="http://www.medi.coop">www.medi.coop</a>  087 0571 427 076 5626 191



Name of CFI/CB	Common Bond	Location	Contact Details
<b>KwaZulu-Natal</b>			
Mzansi Rural Arts and Craft Financial Services Co-operative Limited	The common bond of MRAC is defined as: "art and craft cooperatives (that are members of the provincial secondary art and craft cooperatives) including individual members within those co-operatives, assuming an associational bond of membership"	188 Hoosen Haffejee Pietermaritzburg 3200	Akhona Nonjaca akhononjaca@gmail.com  083 218 9174
<b>Gauteng</b>			
Isikhungo Sabantu Financial Services Primary Co-operative Limited	Members of the Isikhungo Sabantu Non Profit Company, their families and affiliated Non-Government Organizations (Early Childhood Development Movement) and Community Based Organisations (Congress of South African of Non-racial Communities' Movement)	3 <sup>rd</sup> Albertina Sisulu Road Johannesburg 2000	Nathaniel Bricknell info@isikhungosabantu.org.za  081 548 5665 010 001 3890
National Stokvel Association of South Africa Financial Primary Co-operative Limited	Stokvel groups and individual Stokvel members in good standing with Stokvel groups that have a valid NASASA membership	84 Albertina Sisulu Street Johannesburg 2000	Mizi Mtshali mizi@nasasa.co.za  082 507 8699
The People's Stokvel Financial Co-operative	Associational common bond, all members of the PSFC will have to be members of the PCC before they can be considered for any product to be offered by the PSFC	138 West Street Sandton 2054	Palesa Lengolo palesa@palengoholdings.co.za  Luyanda Jafta luyanda@thepeople.co.za
NEHAWU Savings and Credit Co-operative Limited	Members and employees of NEHAWU trade union	56 Marshall Street Ghandi Square Johannesburg Gauteng	Patiswa Kruca patiswa@nehawu.org.za www.nehawusacco.co.za

**CO-OPERATIVE BANKS DEVELOPMENT AGENCY**

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