

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 3588 [NW4255E]**  
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**3588. Ms N I Tarabella Marchesi (DA) to ask the Minister of Finance:**

- (1) With reference to the Minister of Women in The Presidency's reply to oral question 336 on 26 August 2015, what (a) measures, (b) policies and/or (c) legislation is the National Treasury currently considering to facilitate the growth of financial co-operatives, particularly those aimed at the financial empowerment of economically excluded women living in both (i) urban and (ii) rural areas;
- (2) is the National Treasury currently working on any (a) financial and/or (b) economic empowerment initiatives in collaboration with the Department of Women in The Presidency; if not, why not; if so, what are the relevant details of the specified initiatives?

NW4255E

**REPLY:**

1. Yes, the National Treasury does promote broader empowerment objectives through the Financial Sector Charter and financial inclusion policies, as outlined in the policy document "A safer financial sector to serve South Africa better" published in February 2011. The policy aims at increased access to affordable, convenient and appropriate financial services for all South Africans, particularly the poor and vulnerable, and takes into account the legacy of both racial and gender exclusion policies of the past.

Progress has been made in improving financial inclusion in South Africa, resulting in 80% of South Africans using some form of financial services from a regulated financial institution in 2014, up from 55 per cent in 2005. More will be done by setting stretched targets for the financial sector in the Financial Sector Code (FSC) (first adopted in 2003), and focused initiatives by National Treasury's Cooperative Banks Development Agency (CBDA) established by the Co-operative Banks Act (No. 40 of 2007).

Through the FSC, the National Treasury advocates and promotes the advancement of women via specific targets in respect of access to finance and enterprise and supplier development for women as entrepreneurs and owners of small enterprises. For example:

- The target for procurement spend on suppliers that are 30% black women is 8% of total procurement spend
- The target for transformational infrastructure, black SME financing, black agricultural financing and affordable housing is R48 billion for banks and R17

billion for long-term insurers with recognition levels for certain types of beneficiary entities including 150% for 30% black-women-owned exempt microenterprises (EMEs), 100% for 30% black-women owned qualifying small enterprises (QSEs)

With regard to co-operatives, the CBDA has the mandate to regulate and supervise as well as provide capacity building to deposit taking financial co-operatives, commonly known as Co-operative Financial Institutions (CFIs). The Honourable Member should note that the financial sector is a highly regulated sector to protect both depositors, customers and taxpayers, and this cannot be regarded as overly stringent regulation as suggested by the Honourable Member in the original Question 336 on 26 August 2015 to my colleague the Honourable Minister of Women in The Presidency. The objective of the CBDA includes capacity building, to ensure that the CFI sector is adequately capacitated and therefore facilitates the growth of financial co-operatives.

Based on the sectoral analysis done by the CBDA, as at February 2015 women were empowered by CFIs as follows:

- The 26 CFIs serviced an estimated 7,274 females versus an estimated total of 17,318 members. This ultimately means that there is a 42% women ownership in the registered CFIs.
- CFIs are required to elect board members, for efficient and effective governance. 47% of an estimated 167 board members elected are women.
- 73% of an estimated total of 60 people employed by the CFIs are women.

The capacity building programmes developed and conducted covers a vast number of women particularly from the rural areas. Women have been empowered through financial management training and other training courses and coaching provided by the CBDA.

2. Yes, National Treasury is working with the Department of Women through the CBDA. For example, on 31 July 2015, the CBDA team met with officials in the Department of Women in the Presidency about the overall mandate of the CBDA and capacity building programmes for the CFI sector and discussed possible areas of collaboration. The CBDA will continue to work closely with both the Departments of Women and Small Business Development to assist vulnerable women to set up co-operatives and co-operative financial institutions thereby ensuring the financial empowerment and economic inclusion of these women.

National Treasury in line with its broader financial inclusion objectives, will work towards ensuring all South Africans have access to the benefits of using financial services both as part of the broader development agenda and to address poverty and the inequalities in South African society.