



Province of the  
**EASTERN CAPE**

DEPARTMENT OF ECONOMIC DEVELOPMENT  
AND ENVIRONMENTAL AFFAIRS

**Eastern Cape Department of Economic Development  
and Environmental Affairs (DEDEA)**

**Strategy and Implementation Plan for  
Support and Development of  
Co-operatives in the  
Eastern Cape Province**

**December 2008**

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## Foreword

It is with pride that we now release this Eastern Cape Strategy and Implementation Plan for Cooperatives Support and Development. Cooperatives as they are understood in terms for the International Principles of Cooperation have a long history in the Eastern Cape. We have seen a further proliferation of cooperatives over the past few years as government has provided an enabling environment and support. In fact, 19% of all cooperatives, or 3 203 of a total of 16 994 cooperatives registered with the Registrar of Cooperatives in South Africa are here in the Eastern Cape. In addition to these cooperative enterprises and projects, there is a long tradition of collective forms of savings, such as burial societies, stokvels and ilima.

The provincial government, with all its partners have long supported cooperatives and we have over the past few years felt immense pressure from the ground to better coordinate this support and make it more widely available. Thus DEDEA has developed this strategy and programme in order to make human, financial and other resources available for the support of cooperatives in the Province. The strategy has been long coming and a range of initiatives already exist on the ground. This strategy will by no means quell these initiatives but rather seek to enhance these and provide them with leadership, resources and a set of principles we all have to operate according to.

Cooperatives are recognised for their contribution to communities and their members in terms of social, cultural and economic development. They are not strictly profit making enterprises but rather collectives of people that organise to meet the needs of their members and their communities. Cooperation can also be an empowering experience for members, if democratic decision making, collective responsibility and solidarity is practiced according to the international principles. However, with high unemployment and widespread poverty, the needs of most people in the Eastern Cape are closely linked to the need work and earn an income. Thus most cooperatives in the Eastern Cape are aiming to be successful businesses and be in a position to employ their members and other people. However this is not the case for most of the cooperatives. There are off course some notable exceptions and some very successful cooperatives in the Province.

We hope that this strategy will provide a basis for strengthening existing cooperatives, mobilisation of communities to form their own cooperatives and the establishment of a strong autonomous movement of cooperatives that asserts itself in the social, cultural and economic landscape of the Eastern Cape.

Hon Phumulo Masualle – Eastern Cape MEC for Finance and Economic Development

## EXECUTIVE SUMMARY

A conscious, equitable and productive political economy...

This Strategy and Implementation Plan for Cooperative Development and Support has been developed in line with national and provincial policy and legislative frameworks such as The Constitution of the Republic of South Africa, the Reconstruction and Development Programme (RDP), the Cooperatives Act No.14 of 2005 (as amended), the Department of Trade and Industry (**dti**) Cooperative Development Policy (2004) the Eastern Cape Provincial Growth and Development Plan (PGDP) and the National Local Economic Development (LED) Framework. These policy documents charges entities of government and other socially-committed stakeholders with the responsibility of working towards the establishment of a socially conscious, inclusive, productive, equitable and dignifying political economy that will correct the unequal distribution of economic participation and well-being that South Africa's history has created.

Learning from history...  
Learning from global experience...

The strategy document outlines the rationale, methodology and agreed approach to cooperatives in the Eastern Cape. In doing this, the strategy draws lessons from the rich history of the continent, developing and developed countries all over the global and the recent proliferation of cooperatives in South Africa and their relationship with government. The history and the present are rich with lessons that this strategy has and will continue to draw from. Although this strategy is predominantly supporting primary cooperatives, it also addresses other forms of collective enterprise, such as community trusts. The strategy does address secondary and tertiary cooperatives, but only in so far as they are organically established by primary cooperatives themselves. Thus, the strategy is based on the premise that a strong cooperatives movement can only be formed if made up of vibrant, independent and well functioning primary cooperatives rooted in communities.

A vibrant, independent cooperative movement built from the bottom up by primary cooperatives...

There are more than 3000 registered cooperatives in the Eastern Cape, however little is known about the organisation and functioning of these cooperatives. They are largely small and with marginal impact on the economy. It would be instructive, however, to investigate the contribution they make to their members and communities especially in the face of unemployment and poverty; for now this impact remains indeterminate.

The vision of this strategy is to see a vibrant, independent cooperative sector in the Eastern Cape with cooperatives becoming a significant component of the Province's economic structure. The Cooperative vision is not only economic, but also developmental with cooperatives playing a major role in the social and cultural development of all communities in the Province.

Towards realising this vision the strategy has set itself **seven objectives**:

1. To ensure the efficient and effective establishment of the institutional framework within the Province to support co-operatives and other similar collective enterprises from the local to the provincial level;
2. To pool the resources of government and other partners to catalyse and support the growth of community and socially owned capital.
3. To ensure that adequate and tailor made co-operatives support programmes are in place to ensure sustainability and growth of co-operatives in the Eastern Cape;
4. To ensure that the growth of the co-operative movement in the Eastern Cape is autonomous and independent of government and is aligned to the co-operatives sectors and types identified in the Co-operatives Act No14 of 2005;
5. To ensure that there is continuous availability of best practice through research, database & knowledge management, networking amongst co-operatives and the creation of linkages both locally and internationally;
6. To clarify the role of stakeholders, agencies, government departments, communities and co-operatives themselves in the development of co-operatives in the Eastern Cape;
7. Create proper alignment in terms of co-operatives strategy between the co-operatives development programmes and all other provincial government support programmes and also with municipalities;

The institute to build and support the human resource and knowledge capabilities...

The strategy recognises the role that is played by all actors in the Province , from the cooperatives movement itself, community and cooperative support organisations, trade unions, local and district municipalities, development and development finance agencies and government institutions and departments. Each of these actors have a role to play in implementing this strategy. These institutions are particularly important in promoting cooperation in the various economic sectors, such as housing and construction, agriculture and agro-processing, manufacturing, tourism, the social sector, savings and credit and the consumer sector.

Strategy complements existing initiatives and creates room for all actors...

In the development of this strategy, DEDEA has been mindful that it is about to release an Industrial Strategy for the Province . The Industrial strategy is developed in order to change the industrial structure of the Province , that is to change the spatial, sectoral, class and racial inequalities that are inherent in the economic and industrial structure of the Eastern Cape. In this regard, the development of strong worker cooperatives in the various economic sectors is one key element envisaged to contribute to transforming the economy.

Strong worker cooperatives will contribute to change the economic structure...

In order to address all the above, the strategy is centred around four pillars. These four pillars form the foundation of the strategy as well as the implementation plan. A detailed three year implementation plan with a budget will be developed at the end of a due process of consultation with partner institutions and stakeholders that are key to the implementation of the strategy. The four inter-linked pillars and the Key Performance Areas contained in each are illustrated below.

# Eastern Cape Cooperative Development and Support Programme

Pillar 1: Institutional Capacity for supporting Cooperatives in the Eastern Cape	Pillar 2: Support Infrastructure for Co-operatives Development	Pillar 3: Building an Independent Co-operative Movement	Pillar 4: Research, Knowledge and Database Management
<p>1: Establish a Directorate: Cooperatives Support Unit</p> <p>2: Consolidation of the Registration Process in the Province</p> <p>3: Establish an Institute for Cooperative Economic Development</p> <p>4: Establish a Provincial Co-operatives Advisory Board</p> <p>5: Establish an Inter-Departmental Co-ordination Committee</p> <p>6: Establish Co-operatives Development Centres in District Municipalities</p>	<p>1: Alignment of District Municipalities Co-operatives Implementation Plans</p> <p>2: Develop Co-operatives Funds and Financing Mechanism</p> <p>3: Co-operatives Training and Capacity Building</p> <p>4: Co-operatives Enterprise Development, Support and Mentorship</p> <p>5: Procurement Opportunities for Co-operatives</p> <p>6: Youth and Women Participation in Co-operatives</p>	<p>1: Worker Co-operatives</p> <p>2: Agricultural Co-operatives</p> <p>3: Housing Co-operatives</p> <p>4: Social Services Co-operatives</p> <p>5: Financial Services Co-operatives</p> <p>6: Bottom up Building of the Co-operative Movement</p> <p>7: Conferences Summits and Study Tours</p>	<p>1: Research</p> <p>2: Knowledge and Database Management</p> <p>3: Annual Statistics and State of Co-operatives Surveys</p> <p>4: Dissemination, Mobilisation and Awareness Creation</p>

# 1 INTRODUCTION AND BACKGROUND

## 1.1 *Introduction and Rationale*

The Constitution of the Republic of South Africa, the Reconstruction and Development Programmes (RDP), the Co-operatives Act No.14 of 2005 (as amended), the Department of Trade and Industry (**dti**) Cooperative Development Policy (2004) the Eastern Cape Provincial Growth and Development Plan (PGDP), the National Local Economic Development (LED) Framework, as well as other related policy and programmes documents enjoin entities of government and other socially-committed stakeholders to work towards the establishment of a socially conscious, inclusive, productive, equitable and dignifying political economy that will correct the unequal distribution of economic participation and well-being bequeathed by the pre-1994 political dispensation.

Towards this end, the Eastern Cape Department of Economic Development and Environmental Affairs (DEDEA) seeks to lead the establishment and development of a programme aimed at building and supporting sustainable cooperative enterprises. This strategy seeks to outline the elements of this programme and the approach and commitment of Eastern Cape Provincial Government's, and more specifically DEDEA, towards its development.

The main focus of the programme will be the development of cooperatives. It is also however acknowledged that there may be other expressions of collective enterprise organisation not formally constituted and registered as cooperatives, but equally deserving of support because of aims similar to cooperatives. It is the view of the department (DEDEA) and its partners that allowing for a pluralistic expression of legal form, while emphasising a collectivist and socially-conscious entrepreneurship, may allow for greater opportunity of participation in the economy that will be in keeping with the democratic sentiment underpinning development endeavour in post-1994 South Africa.

This strategy document is divided into ten chapters. Chapters 1 to 9 set out the strategy, while chapter ten provide the implementation plan for the cooperative support and development programme for the Province. The first chapter outlines the rationale, methodology and approach to this strategy. Chapter two outlines the vision and objectives of the strategy as well as the types of cooperatives that will be supported. The current policy context for this strategy is found in chapter three. The current state of the cooperatives movement is outlined briefly in chapter four. The document then sets out the principles of cooperation, some common principles for cooperative support and the national policy and legislative context for cooperative development in chapters five and six. Chapter seven outlines the four pillars of the strategy and the key objectives and activities contained in each pillar. This is followed by an outline of the role to be played by various partners in this strategy in chapter eight. Chapter nine sets out a basis for reporting, monitoring and evaluation and finally chapter ten provides a high level implementation plan.

## **1.2 Methodology and Approach to developing the Strategy**

This strategy has been developed in an open and participative manner and is the outcome of discussions among institutions, interested parties and individuals in the Eastern Cape and the national cooperatives movement since about 2005. The strategy recognises that there is a range of initiatives and programmes already in existence. Thus it is not proposed that the programmes should start from scratch. Rather, this strategy aims to bring together all existing activities and provide a common programme, lay down a set of principles and position DEDEA at the centre of coordinating and driving the work of promoting and supporting cooperatives and collective economic development in the Eastern Cape.

Considerable work was done by DEDEA (then DEAET) towards developing a cooperatives strategy for the Province in 2005 and a range of actors was part of conceiving the Institute for Cooperative Economic Development between 2005 and 2007. Thinking about cooperatives in the departments of Social Development, Education, Agriculture and Public Works has also informed this strategy. Likewise, the strategy is informed by the emerging strategies and support programmes at district level, most notably the Nelson Mandel Metro, Ukhahlamba, O R Tambo and Amathole district municipalities. All these processes have informed the development of this strategy, and if anything, the plethora of initiatives and their varying degrees of success and challenge make the development, adoption and implementation of a Provincial strategy and programme all the more important.

As will be discussed in detail below, cooperatives in the Eastern Cape are not well organised and the level of development of the cooperatives is limited. Nonetheless, the input of cooperatives into this strategy has been crucial. Parallel to the development of the strategy, DEDEA conducted a baseline survey of cooperatives in the Eastern Cape. Workshops with cooperatives were held in all districts, with participation by cooperatives varying from 30 to 120 people. The workshops allowed cooperatives to reflect on the support that they receive from government and other institutions, their level of organisation, challenges as well as more nuanced needs analysis. Participation in these workshops was largely from primary cooperatives, and involved two or three secondary or tertiary cooperatives in each district.

An Eastern Cape Cooperatives Development and Support Strategy and Programme is proposed against the following principles:

- The importance of complementarity of the proposed programme with other public and economic development programmes in the Province.
- An emphasis on community, participatory and worker ownership of the economy and the potential this holds for socially cohesive economic development.
- The potential for a reorientation of significant public expenditure to encourage greater participation in the economy through locally owned enterprises, including of cooperatives.
- Lessons learned through difficulties encountered in the successful establishment and development of cooperatives locally and internationally: *Business enterprise, even of the conventional kind, is generally fraught with significant rates of failure, even when fundamentals have been reasonably considered. Cooperatives are no exception. The cooperative and collective option, however, tends to be even more challenging to establish and sustain than the individualistic. This fact is often overlooked, and the necessary work to ensure success not undertaken in full, leading to disappointment and a potential discrediting of the cooperative enterprise approach. Coupled with*

*difficulties specific to the cooperative form of enterprise are pitfalls of a state-driven dependency that is very possible when the state is initiator of business enterprise. DEDEA will endeavour not to repeat obvious mistakes in this regard.*

- The creation of an environment for a networked and independent cooperative movement to thrive.
- The need to carefully balance support from government with respect for the autonomy of cooperatives and cooperators. Cooperatives are not extensions of government and should be protected against political capture as well as ‘fronting’ for mainstream business in order to exploit business opportunities created especially for cooperatives.
- The fact that cooperatives are often in the so-called ‘second economy’ and seen as ‘stepping stones’ to the mainstream economy. The Eastern Cape strategy sees the development of cooperatives and a cooperative sector as a legitimate end in itself. Thus the strategy seeks to promote and enable cooperatives and worker cooperatives at all levels of the economy.

## 2 CO-OPERATIVE PROGRAMMES FOCUS

### **2.1 Vision for supporting co-operative development in the Eastern Cape**

The vision of this strategy is to see a vibrant, independent cooperative sector in the Eastern Cape with cooperatives becoming a significant component of the economy. The Cooperative vision is not only economic, but also developmental. Cooperatives could play a major role in the social and cultural development of all communities in the Province

### **2.2 Objectives to be met in supporting co-operatives in the Eastern Cape**

- To ensure the efficient and effective establishment of an institutional framework in the Province to support co-operatives and other similar collective enterprises from the local to the Provincial level;
- To pool the resources of government and other partners to catalyse and support the growth of community and socially-owned capital;
- To ensure that adequate and tailor made co-operative support programmes are in place to ensure sustainability and growth of co-operatives in the Eastern Cape;
- To ensure that the growth of the co-operative movement in the Eastern Cape is autonomous and independent of government and is aligned to the co-operatives sectors and organisational types identified in the Co-operatives Act No14 of 2005;
- To ensure that there is continuous access to best practice through research, database and knowledge management, networking amongst co-operatives and the creation of linkages both locally and internationally;
- To clarify the role of all stakeholders, agencies, government departments, communities and co-operatives themselves in the development of co-operatives in the Eastern Cape;
- To create proper alignment in terms of co-operatives strategy between the co-operatives development programmes and all other provincial government support programmes and also with municipalities;

### **2.3 Forms and types of Co-operatives that will be supported by the Strategy**

This Co-operatives Support Strategy and Programme will primarily support **Primary Co-operatives** because of their ability to create employment, encourage entrepreneurship and facilitate community upliftment. The Co-operatives Act No.14 of 2005 defines a primary co-operative as one to be formed by a minimum of 5 natural persons. The strategy will support existing as well as newly formed community initiated cooperatives. However it does not advocate the establishment of cooperatives by government or other public sector agencies.

Other levels of co-operatives, be they secondary co-operative or tertiary co-operative, can only legitimately be established by primary co-operatives and secondary co-operatives respectively (see Chapter 4 above). Their main purpose is largely to provide services to primary member co-operatives. Unless there is really a need to establish them, they will be established by their primary members and will be sustained by their primary members. This strategy will not address the specific needs of secondary and tertiary co-operatives and consideration to such needs will be given on a case by case basis and with relevant co-operatives sector plans residing in different sector institutions.

Cooperatives at all levels of the economy will be supported. Special emphasis will be placed, however, on promoting worker cooperatives in the sectors identified by the industrial strategy and at levels of the value chains where value is produced, rather than at the level of raw material production only. Cooperatives made up of professionals will also be promoted in all sectors and it will be important for this strategy to identify and support some professional and successful cooperatives as flagships for this strategy. This is especially important in light of the significant business that government procures from the services sector.

Schedule 1 of the Co-operatives Act No.14 of 2005 outlines special provisions for certain kinds of co-operatives. This provincial strategy will focus on promotion and support to the following kinds of co-operatives as specified in Schedule 1:

- Worker Co-operatives;
- Housing Co-operatives;
- Financial Services Co-operatives;
- Agricultural Co-operatives;
- Consumer Co-operatives;
- Social Co-operatives;
- Service Co-operatives.

## 3 SOCIO-ECONOMIC AND POLICY CONTEXT OF THE EASTERN CAPE

### 3.1 Socio-Economic Profile of the Eastern Cape

The Socio-Economic profile of the Eastern Cape is marked by widespread and deep poverty; racial, class and geographic inequality; backlogs in public services; and the persistence of its historical character as a labour reserve for the country. Profiles Developed by ECSECC for the Growth and Development Summits in 2007 reveal that the percentage of people in poverty is up from 54.3% in 1996 to 64.7% in 2005. In 2006 65.6% of households had a monthly household income of R 1500 or less. There is significant migration from rural to urban areas within the Province, and out-migration of skilled labour to the larger urban areas in South Africa. Economic growth has increased in recent years with GDP-R growth up from 3.3% in 1996 to 4.7% in 2005. However this growth has failed to produce substantial numbers of new jobs and although there are fluctuations in employment figures, the trend remains stagnant with the unemployment rate in March 2007 (narrow definition) standing at 25.5%. This is similar to the September 2000 figure of 25.4%.

The public sector (community services) is the greatest contributor to employment in the Province (32.2%), followed by manufacturing and trade. The auto sector is the most significant employer in the Eastern Cape manufacturing sector, with food and beverages; textiles, clothing and leather and Fuel and petroleum goods roughly accounting for a further one third (or some 11-13% each respectively). Wood and wood products is also a significant manufacturing sector, accounting for just under one tenth of manufacturing employment (8.8%). The table below illustrates the spatial structure of formal employment in the Eastern Cape economy. The figures above and the table below are derived from the *Provincial Industrial Strategy*.

**Table 1: Spatial structure of formal employment in the Eastern Cape economy**

District/Metro	% change: total GVA	% change: manufacturing GVA	% change: agriculture GVA
Metro	36.3	34.0	12.4
Cacadu	27.4	29.6	13.7
Amathole	18.7	5.5	13.4
Chris Hani	17.7	2.0	13.7
Ukhahlamba	4.4	-23.9	14.7
OR Tambo	19.1	4.6	10.3
Alfred Nzo	12.1	-4.5	9.6
<b>TOTAL</b>	<b>26.7</b>	<b>24.3</b>	<b>12.7</b>

Source: Eastern Cape Industrial Strategy

Thus, manufacturing is largely located in the Nelson Mandela Metro and Amathole District, most notably Buffalo City Municipality. The reliance on the community (public) sector for employment is greater in the rural and former homeland areas. It is not known how much cooperatives contribute to the economy or how many jobs they create in the Eastern Cape.

The Human Development Index (HDI) is a composite measure of development which includes life expectancy, literacy and income. The table below presents the HDI for all districts in the Province. The Nelson Mandela Metropole has the highest index, while O R Tambo has the lowest. The district level index however masks significant pockets of poverty and inequality in the wealthier areas in the Province.

**Table 2: HUMAN DEVELOPMENT INDEX (HDI) FOR THE EASTERN CAPE**

District	Year	
	1996	2005
Nelson Mandela MM	0.63	0.66
Cacadu DM	0.53	0.57
Amathole DM	0.50	0.53
Chris Hani DM	0.44	0.48
Ukhahlamba DM	0.43	0.47
Alfred Nzo DM	0.41	0.46
OR Tambo DM	0.40	0.45

Source Global Insight 2006, in ECSECC 2007

Another significant feature is the high number of households relying on social grants such as old age pension, child care grants and disability grants as their only source of income. A survey conducted by provincial government in 2006 found that 64.4% of households in the Eastern Cape have household members receiving a form of social grant. The spatial distribution of people in poverty and people receiving social grants is illustrated by the figure below.

**Table 3: Grant Beneficiaries and proportion of poor for the Eastern Cape**

Grant Beneficiaries and proportion of poor for the Eastern Cape						
	No of grant beneficiaries	% of provincial grant beneficiaries	Number of people in poverty (Global Insight, 2007)	of in	Proportion of Provincial Poor	Grant Beneficiaries as % of poor
	#	%	#	%	%	%
Alfred Nzo	123,116	8.2	407,626	9.4	30.2	
Cacadu	79,998	5.4	182,815	4.2	43.8	
Amathole	364,440	24.4	1,134,137	26.1	32.1	
Chris Hani	218,722	14.6	627,676	14.4	34.8	
Or Tambo	420,956	28.2	1,329,442	30.6	31.7	
Metro	199,159	13.3	416,488	9.6	47.8	
Ukhahlamba	86,951	5.8	250,897	5.8	34.7	
Provincial	1,493,341		4,349,080		34.3	

Source: Data from SASSA, ECSECC calculations

The implication of this profile for cooperative development in the Eastern Cape is that most cooperatives will be started by people in poor communities seeking to find a solution to

unemployment and poverty. These will often be an extension of community projects and are unlikely to operate in the productive segments of the economy. The importance of alignment with the priority industry sectors is emphasised below. However the potential positive effect of cooperatives on community development, cohesion, collective and individual empowerment and the possibilities for a more democratic society and economy should not be overlooked.

## **3.2 Provincial Policy Priorities**

### **3.2.1 Provincial Growth and Development Plan**

The overarching development plan for the Province is the Provincial Growth and Development Plan (PGDP). The PGDP was launched in 2004 and provides a framework for planning and prioritisation at all levels of government. The PGDP proceeds from an understanding of the history of the Eastern Cape as a labour reserve made up of two former homelands with sub-standard infrastructure and public administration. It argues that in order to meet growth and development targets, there needs to be significant transformation in economic, as well as social and political structure. This includes massive investments in infrastructure, development of the agricultural sector, development of productive capacity and consolidation of declining industry, a significant scaling up of education, health and other social services and better and more appropriate skills development. Given the importance of provincial and local government as employers and providers of services, public sector and institutional transformation is an imperative of the PGDP. Democracy and increased public participation are recognised as crucial for any significant transformation in the Province. In response to these imperatives, the PGDP has six pillars:

- Systematic poverty eradication through a holistic integrated and multidimensional approach to pro-poor programming.
- Transformation of the agrarian economy and strengthening of household food security.
- Manufacturing diversification and tourism potential.
- Human resource development.
- Infrastructure development.
- Public sector and institutional transformation.

An assessment of the PGDP carried out in 2007/2008 revealed that, although significant improvement has been made, both government and its partners will need to scale up their activities in order to meet the targets set by the PGDP. Areas of improvement should include:

- Access to and quality of public health;
- Access to and quality of primary, secondary and higher education;
- Redistribution of productive land and agricultural development;
- Poverty reduction, safety nets and human security;
- Social, transport and economic infrastructure;
- Spatial, sectoral and ownership diversification of economic development;
- Transformation and delivery by provincial and local government; and
- Further enhanced participation and democracy.

### **3.2.2 Jobs Summit and District Growth and Development Summits**

A provincial Jobs Summit was held in February 2006 and District Growth and Development Summits were hosted by all six Districts as well as the Metro in 2006 and 2007. These

summits contributed to further entrenching the vision of the PGDP and discussion on the growth path of the Province. They elicited commitments from various partners.

The provincial Jobs Summit took place in February 2006. The summit was a culmination of negotiations between provincial and local government, labour, business and civil society and resulted in an agreement, essentially a stakeholders' compact. The Summit was meant to establish concrete measures towards the retention and creation of jobs and the Summit Agreement made a clear commitment to develop support measures such as access to finance and markets as well as the establishment of a provincial cooperatives institute.

Modelled on the Jobs Summit, all six district municipalities and the Metro held district growth and development summits (DGDS) in 2006 and 2007. All seven summit agreements also make commitments to cooperative development and position the District Municipalities at the centre of the drive towards cooperative development.

### **3.3 Industrial Strategy and Priority Economic Sectors**

The Eastern Cape Province has developed an Industrial Strategy. The Strategy outlines the broad government efforts that are necessary to transform the structure and distribution of industrial activity. The rationale for an industrial strategy is borne out of market failures in which supply and demand conditions have not produced optimal outcomes, particularly relating to job creation and the extent to which the economy is being de-racialised and transformed. It is now generally an undisputed fact that those countries which have experienced significant performance in economic and employment growth over the past two decades have followed strategies which contradict the dominant policy consensus often referred to as the "Washington Consensus".

The strategy thus advocates that the state should lead and resources economic development. Further, it advises the enhancement of physical and social infrastructure; knowledge-based development and improvement of human capital; unique programmes for each region based on local strengths and weaknesses; and business retention and expansion programmes, even as there are few instruments to deliver these programmes at present. The strategy stresses partnership formations, and development from "the bottom up", through regional partnerships and coalitions and cluster development. Lastly, the strategy also advocates changing the ownership structure of the economy and what it terms *alternative forms of social ownership*, such as cooperatives.


This Cooperative Development Strategy will be one of the ways of implementing the industrial strategy and give further effect to the policy sentiments in the Industrial Strategy. It will not only promote *alternative forms of social ownership* but also promote new forms of social and economic organisation that have the potential to transform the social and economic structure of the Eastern Cape, starting from the community and workplace level.

The strategy has identified nine priority sectors, namely:

- Agriculture and Agro-processing
- Forestry and timber industries
- Tourism
- Business Process Outsourcing
- Construction

- Automotive sector
- Textiles (job protection)
- Chemicals
- Metals processing

Detailed sector action plans will be developed for each of the priority sectors, identifying the specific needs of the sector and action to be taken by government and actors in the sector. Cooperatives do exist in some of these sectors; however the level of development of these cooperatives is low. For the success of this cooperative strategy it is important that there is further sector research and analysis to identify the potential for cooperatives in each sector and ensure that state support and provision of incentives are extended to cooperatives and in particular worker cooperatives.



## 4 SITUATIONAL ANALYSIS OF COOPERATIVES IN THE EASTERN CAPE

### 4.1 Cooperatives in the Eastern Cape

According to the registrar of Cooperatives in the **dti** there were 1107 registered cooperatives in the Eastern Cape in 2007. However the database of cooperatives has significant limitations and it is not known how many of these 1107 cooperatives are still in operation or what their level of development is. Nationally, the number of new cooperatives that registered in the last three years (2004-2007) has increased nearly three-fold the number of cooperatives that were registered over the previous 82 years (1922 – 2004). The baseline study carried out by DEDEA also found that the majority of cooperatives were formed since 2003.

In order to address the limitations of the database of the registrar of cooperatives and develop this strategy on a more informed basis, DEDEA has undertaken a survey of cooperatives in the Eastern Cape. The study has been completed and the following issues have emerged:

Over half of cooperatives represented in the study operate in the agricultural sector (51%), followed by services (28%) and manufacturing (26%). Other sectors include art and craft, social services, construction, textiles/sewing, cleaning and multi-purpose. Many cooperatives operate in more than one sector as illustrated by the table below.

Table 4: Cooperatives per economic sector

Economic Sector	No of cooperatives active in sector	% of total cooperatives (203 Cooperatives participating in study)
BUILDING	30	14.8
TRADING	33	16.3
AGRICULTURE	103	50.7
SERVICES	56	27.6
MANUFACTURING	52	25.6
FINANCE	4	2.0
HOUSING	7	3.4
HEALTH	6	3.0
ARTS & CRAFTS	44	21.7
OTHER	30	14.8
Total	365	179.8

Source: DEDEA baseline of cooperatives in the Eastern Cape

Other key findings include:

- There are currently eight savings and credit cooperatives in the Eastern Cape that are registered as members of the national Savings and Credit Cooperatives League (SACCOL)

- Cooperatives largely operate in isolation from other cooperatives and rarely trade with one another. Some secondary and tertiary cooperatives exist, and these are largely multi-purpose. Some cooperatives report other cooperatives in the same area as competitors.
- Very few cooperatives employ their members or others. Very few report a substantial monthly turn-over or monthly surplus, nor do they pay out surplus to their members. Most of the cooperatives participating in the survey are rather survivalist enterprises or 'projects'.
- Most cooperatives report that they are self initiated, and report that members reasons for joining are poverty and employment.
- Access to land in urban areas or release of municipal land is reported by several cooperatives as a challenge.
- Many cooperative are not aware of the 2005 Cooperatives Act and are still registered under the 1981 Act.
- Most cooperatives have received some support. This is predominantly in the form of training, financial assistance or equipment. However, nearly all cooperatives report that they require further training, equipment and capitalisation/finance.
- Little support is provided in the area of production.
- Marketing and access to markets was found to be the greatest challenge.

There seems to be an expectation that if a cooperative is established, there will be some support and/or funding available from government. There is also an expectation that cooperatives should be treated preferentially in government procurement.

## **4.2 Recommendations**

Based on the findings from the survey the following is recommended to be at the core of the strategy:

- Improve database management and hosting of a central, but accessible, database of cooperatives in the Province. District Cooperative Development Centres should be at the centre of collecting this information.
- A full scale verification of cooperatives on the database of the registrar of cooperatives should be carried out and this should be linked to an awareness programme about the 2005 Cooperatives Act and re-registration of cooperatives.
- Mentoring and support programmes should be tailor made and based on sound project planning. These should focus on production related training and support, not auxiliary support only.
- Market analysis, product development, facilitation and negotiation of market access as well as promotion of trading between cooperatives should be promoted.
- Government employees working on cooperative development, e.g. officials in DEDEA, LED officers etc, should be given information and training.
- There is an urgent need for popular information materials to be made available in all languages used in the Eastern Cape.
- The building of a strong and autonomous cooperatives movement from below is essential to any success.

These recommendations form the basis for the pillars outlined in this strategy.

## 5 CO-OPERATIVES IN CONTEXT

### 5.1 General Definition of a Co-operative

Globally co-operatives are broadly defined as autonomous associations of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations, through jointly owned and democratically controlled enterprises.

Chapter 1 of the South African Co-operatives Act, No.14 of 2005, classifies co-operatives into the following categories:

- “A *primary co-operative*” means a co-operative formed by a minimum of five natural persons whose object is to provide employment or services to its members and to facilitate community development.
- “A *secondary co-operative*” means a co-operative formed by two or more primary co-operatives to provide sectoral services to its members, and may include juristic persons.
- “A *tertiary co-operative*” means a co-operative whose members are secondary co-operatives and whose object is to advocate and engage organs of state, the private sector and stakeholders on behalf of its members, and may also be referred to as a co-operative apex.

### 5.2 Principles of Co-operatives

The co-operative principles are also the universally accepted guidelines by which co-operatives put their values into practice. Other associations or formations should not be misconstrued as co-operatives if they do not subscribe to the following principles:

- *Voluntary and open membership*: recognizes that co-operatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination;
- *Democratic member control*: recognizes that co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions;
- *Member economic participation*: recognizes that members contribute equitably to, and democratically control, the capital of their co-operative. Autonomy and independence;
- *Autonomy and independence*: recognises that co-operatives are autonomous self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy;
- *Education, training and information*: recognizes that co-operatives provide education and training for their members, elected representatives, managers and employees so they can contribute effectively to the development of their co-operatives;
- *Co-operation among co-operatives*: recognizes that co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures;
- *Concern for community*: Co-operatives work for the sustainable development of their communities through policies approved by their members.

### 5.3 Values of Co-operatives

Co-operatives are based on the values of self-help, self-reliance, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in ethical values of trust, honesty, openness, democracy, social responsibility and caring for others.

### 5.4 Advantages and Disadvantages of Co-operatives

A review of the paper by Kristian Thiami (February 1998) titled Challenges before Co-operatives in South Asia-Building a Comparative Advantage, gives the following overview of the advantages and disadvantages of co-operatives.

**Table 4: Advantages and Disadvantages of Co-operatives**

Advantages and Disadvantages of Co-operatives	
Advantages	Disadvantages
<ul style="list-style-type: none"><li>• Owned and controlled by members</li><li>• Relatively ethical way of doing business</li><li>• Co-operatives can benefit the community by providing jobs</li><li>• They keep money within the local community</li><li>• Member investors are unlikely to withdraw finance at short notice.</li><li>• Democratic control by one member, one vote</li><li>• Limited liability</li><li>• Staff motivation can increase as all employees share in the co-op's success</li></ul>	<ul style="list-style-type: none"><li>• Possibility of conflict between members</li><li>• Longer decision-making processes</li><li>• Non participation of members can hamper the co-operatives' successes</li><li>• Meeting both co-operative aims and business needs require complex management</li><li>• They limit your choice of external finance</li><li>• Employment benefits often cannot match those offered by other business types</li><li>• Provision of services are often limited to members only</li><li>• Are not open to hostile take-overs thus making management and boards ambivalent</li><li>• Co-operatives can fail if managers do not have a collective will or drive</li></ul>

Source: Kristian Thiami (1998)

## 5.5 Differences between co-operatives and other legal entities

Table 5: Differences between co-operatives and other legal entities

Differences between co-operatives and other legal entities					
Differences	Co-operative	Sole proprietorship	Partnership	Close Corporation	Company (excl. not for profit)
Reason	To provide a service to members	Profit driven	Profit driven	Profit driven	Profit driven
Decision-making	Democratic	Owner controlled	Divided between partners	Proportional to interest held	Proportional to shares held
Capital	Members fees; subscription fees	Own contribution; capital that the business is able to raise	Own contribution; capital that the business is able to raise	Own contribution; capital that the business is able to raise	Raised through shareholders
No of people	5 =/< no limit	1	2 < 20	1>10	Private = (1 > 50) Public = (7 > )
Membership limitations	Limited - on economic grounds	Limited in number	Limited in number	Limited in number	Private co = limited in number Public co = unlimited
Liability	Limited (to members unpaid shares / members fees)	Unlimited	Unlimited; (Exception: Undisclosed partners=no liability to 3 <sup>rd</sup> parties; limited to partnership interest against partners)	Limited to interest held	Limited by shares capital

## **5.6 Types of Co-operatives as per the Co-operatives Act No.14 of 2005**

Co-operatives are classified according to their type rather than their economic activity. This ensures consistency with their defining feature of being associations based on the common need of their members. Critical to note for the Government of the Eastern Cape is that during the implementation of this strategy, active consultation and participation by co-operatives should be prioritised. Below is the classification of the types of primary co-operatives as outlined in Schedule 1 of the Co-operatives Act No.14 of 2005:

- **Worker Co-operatives:** The purpose of these co-operatives is to provide their members with work by operating an enterprise. These co-operatives are owned by their worker members, meaning that they are the collective owners, obtain jobs and control the management and administration of their enterprise. Worker co-operatives are suited to all economic sectors, and can comprise of members from a wide range of professions.
- **Financial Co-operatives:** These co-operatives offer banking services (savings, credit and investment) and insurance services to their members. They are owned and are used by their members. Examples of existing financial services co-operatives include Savings and credit co-ops (SACCOs), also known as “credit unions” or “village banks” and burial societies who largely remain informal. These types of co-operatives are spread across the country and currently targeted for regulation under the Co-operatives Banks Act No.40 of 2007, under the National Treasury.
- **Consumer Co-operatives:** These co-operatives provide their members with goods and services for their personal use. They are owned by the consumers of the goods sold by the co-operative and can work in various sectors. They can range from small purchasing groups (such as buying clubs or stokvels) to large supermarket-type organisations. An example of a consumer co-operative includes Pretorium Trust Co-operative, with 30,000 members in Pretoria. These co-operatives are meant to buy in bulk and thereby ensure discounts on goods that would otherwise be more expensive if bought in small volumes.
- **Housing Co-operatives:** These co-operatives provide housing and allied services to their members and are owned by the users/members of the co-operative. They can represent interesting options for converting public housing and integrating low-middle income communities on well-located land. Examples of housing co-operatives are Newtown Housing Co-operative in Johannesburg, with 351 housing units for its members, and Amalinda Housing Co-operative in East London with more than 200 housing units for members. Key partners to work with include the South African Co-operative Housing Association (SAHCA).
- **Agriculture Co-operatives:** Some of these co-operatives produce, process and market, their members' products and services directly to the market. These are called marketing and supply co-operatives and are normally established by farmers for themselves. Others may also sell the inputs necessary to their members' economic activities (such as agricultural supply co-operatives). Historically, these have played a key role in the development of commercial farming in South Africa.

## 6 LEGISLATIVE FRAMEWORK OF CO-OPERATIVES IN SOUTH AFRICA

The South African government introduced a Co-operatives Policy in 2004. This was followed by the adoption of the Co-operatives Act No.14 of 2005. To firm up on the legislative environment, Co-operative Regulations were introduced in 2007. These basically set out parameters for registration and management of co-operatives in South Africa. These legislative documents form the basis for all work relating to co-operatives and for this strategy. So the following section will outline what these documents entail:

### 6.1 *Co-operatives Act No.91 of 1981*

This Act, which has since been replaced by the Co-operative Act No.14 of 2005, was mainly developed to regulate co-operatives in the Agricultural sector. It was too limiting in its nature andt was replaced in 2005. Under this Act, the Registrar of Co-operatives was based in the Department of Agriculture. Today all agricultural co-operatives, together with other of co-operatives are regulated under the Co-operatives Act No.14 of 2005.

### 6.2 *Co-operatives Policy of 2004*

The Eastern Cape Government's Co-operatives Support Strategy and Programme falls in line with the Co-operatives Development Policy of 2004. This Policy document spells out the intentions of the South African Government in promoting and supporting co-operatives. It was developed through a vigorous consultative process countrywide. Section Two of the Co-operatives Development Policy of 2004 attests to this:

“This policy is South Africa's first explicit co-operative development policy. ...The policy document is the result of an intense consultation process, which was initiated in 1997 with the establishment of a *Co-operative Policy Task Team*, the process involved the main stakeholders in South Africa's co-operative development at the time. The responsibility for co-operative development was at that time with the National Department of Agriculture. Among others, the Task Team organized altogether nine regional workshops and one national co-operative conference to discuss the main policy issues.

This was followed by establishment of a task force by the co-operative development unit of the Department for Trade and Industry (**the dti**) that initially dealt with the process of transferring the responsibility for co-operative development from the National Department of Agriculture (NDA) to **the dti**. However, the participatory development of South Africa's first Co-operative Development Policy document was later continued. The Government will continue to consult co-operative organizations as well as other stakeholders concerned, in the formulation and revision of legislation, policies and regulations applicable to co-operative development.

The Co-operatives Development Policy document of 2004 therefore provides a framework that guides government at all levels, including the development of legislation. This strategy and support programme takes guidance from the Policy. The objectives of the policy are articulated in the policy document and this strategy provides a road map for implementing

them in the Eastern Cape. Currently **the dti** is in the process of finalising an implementation plan for cooperative and collective enterprises. This implementation plan builds on the 2004 strategy and has also informed the development of this Eastern Cape strategy document and implementation plan.

### **6.3 Co-operatives Act No.14 of 2005**

The Co-operatives Act No.14 of 2005 is based on the Co-operatives Policy consultation processes. Previously, co-operatives in South Africa were regulated by the Co-operatives Act No.91 of 1981, which was limited to regulating agricultural co-operatives. The new government clearly articulated its intentions in the Co-operatives Policy of 2004 to regulate all forms of co-operatives in different sectors, and thus a new Co-operatives Act (No.14 of 2005) was developed and signed into law by the President of South Africa in 2005. This new Act effectively repealed the old Co-operatives Act No.14 of 2005. The preamble of the Act notes that it was developed in order to:

- Ensure that international co-operative principles are recognised and implemented;
- Enable co-operatives to register and acquire a legal status separate from their members; and in the Republic of South Africa;
- Facilitate the provision of targeted support for emerging co-operatives, particularly those owned by women and black people.

This piece of legislation and the regulations now provide a regulatory environment for co-operatives of all sectors and types in South Africa. The Act is currently under review and some of the issues that have been put forward in the review process have also informed the development of this strategy.

### **6.4 Co-operatives Regulations 2007**

The proclamation of the Co-operatives Regulations in May 2007 finally ushered in the new Act and the new Co-operatives dispensation in South Africa. Now all co-operatives Registered in the Office of the Registrar of Co-operatives at CIPRO are registered under the Co-operatives Act No.14 of 2005. All registration procedures, forms, regulations and rules are spelt out in the Co-operatives Regulations of 2007. Different templates for forms and model constitutions provided for under these regulations and they should be marketed throughout the Eastern Cape Province so that co-operatives in the Province understand their obligations.

### **6.5 Co-operatives Banks Act, No.40 of 2007**

This is a piece of legislation that National Treasury has been working for the past few years. This Act will regulate all services of the Financial Services Co-operatives Sector. It does not replace the Co-operatives Act No.14 of 2005, but as a dedicated piece of legislation for the financial services sector. Currently National Treasury is drafting regulations for this Act. It is important for the Eastern Cape Province to note this legislation because all financial services co-operatives will be regulated under this Act.

The objectives of this Act are to promote and advance the social and economic welfare of all South Africans by:

- enhancing access to banking services under sustainable conditions;
- promoting the development of sustainable and responsible co-operative banks;
- establishing an appropriate regulatory framework and regulatory institutions for co-operative banks that protect members of co-operative banks;

- providing for the registration of deposit-taking financial services co-operatives as co-operative banks;
- providing for the regulation and supervision of co-operative banks;
- providing for the establishment of co-operative banks supervisors and a development agency for co-operative banks.

## **6.6 Registration of Co-operatives**

During the times of the Co-operatives Act No.91 of 1981, the Office of the Registrar of Co-operatives was based in the Department of Agriculture where the Act was administered and all co-operatives were registered. The revision of the legislative environment necessitated that all co-operatives development work be co-ordinated from the Department of Trade and Industry (**dti**), Co-operatives Development Unit, hence the new Co-operatives Act No.14 of 2005.

The Office of the Registrar of Co-operatives was then moved to the **dti** campus under the Companies and Intellectual Property Registration Office (CIPRO). CIPRO falls under the **dti**, and is responsible for the registration of companies, intellectual property, patents and co-operatives. Section 78-84 of the Co-operatives Act No.14 of 2005 spell out the responsibilities delegated by the Minister to the Registrar of Co-operatives and they include:

- Keep and maintain the register of co-operatives;
- Conduct inspections of documents of co-operatives;
- Conduct investigation where necessary.

## 7 PILLARS OF THE STRATEGY

### **7.1 Pillar 1: Institutional Capacity for supporting Cooperatives in the Eastern Cape**

#### **7.1.1 Establish a Directorate: Co-operatives Support Unit**

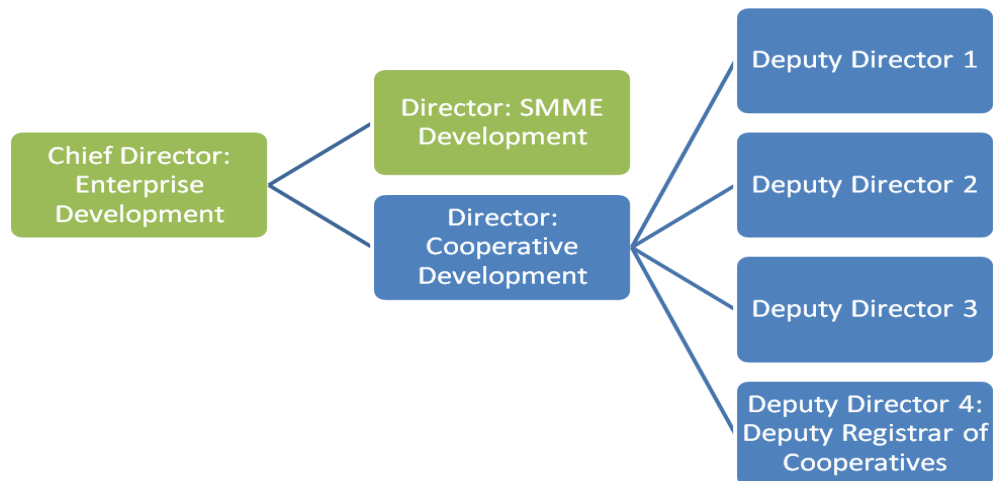
The development and support to co-operatives has gained momentum in South Africa in recent times, especially through the adoption of a new Policy and Act in 2004 and 2005 respectively. The **dti**, as a coordinating unit within government, has established a fully fledged Chief Directorate that deals with issues of legislation management, policy development, coordination and monitoring of co-operatives development work across the whole country.

Provinces should play a critical role in translating these policy imperatives into programmes and projects for implementation. The pressure to implement becomes greater at a provincial and local level than at national level. It is therefore necessary for the Province to capacitate itself and dedicate specific human resources to manage the support programmes and projects needed to implement this strategy. DEDEA has been tasked by the Executive Council of the Province to coordinate and drive cooperatives development, with all other departments as supporting and implementing agents. There is however currently no dedicated capacity for cooperatives development within DEDEA. In order to implement this strategy in the Province, it is therefore proposed that the Province establishes a Directorate: Co-operatives Support Unit under a proposed new Chief Directorate: Enterprise Development within the Department of Economic Development and Environmental Affairs. The Directorate's functions will, amongst others, include the following:

- Coordinate the development of the Provincial Co-operatives Support Strategy and Programme in the Province;
- Facilitate communication between national government, provincial government, local government, stakeholders and co-operatives on issues relating to co-operatives support in the Province;
- Facilitate the commissioning of continuous research and data collection on the trends, developments and challenges of co-operatives in the Eastern Cape;
- Monitor the implementation of the Provincial Strategy and all co-operatives activities and programmes in the Eastern Cape;
- Facilitate awareness creation and promotion of the co-operatives support programme within the Province in partnership with local stakeholders;

The proposed structure is illustrated in Figure 2 below:

**Figure 2: Proposed organogram for Directorate: Cooperative Development**



### 7.1.2 Consolidation of the Registration Process in the Province

Consultations with stakeholders and co-operatives in the Eastern Cape pointed to the following problems currently experienced by co-operatives in terms of registration:

- The process to register a co-operative in Pretoria (CIPRO) takes too long and is complex and cumbersome;
- Fraudulent behaviour has been experienced by co-operative members around fees payable towards registering co-operatives via using middlemen;
- Basic pre-incorporation education is needed by members who want to register co-operatives;
- Members need explanation of the registration processes to be translated to them in their own languages in order to understand them;
- The provincial database needs to be captured, maintained and to some degree managed within the Province.

Firstly, with regards to registration, this strategy proposes that the Eastern Cape Provincial Government use the provision of Section 78 of the Co-operatives Act No.14 of 2005 to request the Minister of Trade and Industry, in consultation with CIPRO, to appoint a Deputy Registrar of Co-operatives in the Province. The Deputy Registrar's Office, at a Deputy Director level, can be situated within the Directorate: Co-operatives Support Unit as part of the Department's staff. The main functions of this office is will be guided by CIPRO but envisaged to be secondary functions of the Registrar's Office.

Secondly, there are existing arrangements for registration of co-operatives in the Eastern Cape. SEDA and ECDC play the role of agents for CIPRO in this regard. It is proposed that this arrangement remain as is, but that it is be more organised and strengthened through co-ordination from the Office of the Deputy Registrar's Office.

### 7.1.3 Establish an Institute for Cooperative Economic Development

The University of Fort Hare (UFH) in consultation with Provincial Government is in the process of establishing a quality institutional base that will seek to co-ordinate training, capacity building, human development and research, in order to build and support co-operatives development in the Province. The institution to be established will be called the

*Institute for Co-operative Economic Development.* The primary goal of the Institute will be to build and support the human resource and knowledge capabilities, as well as support systems of learning and research institutions, co-operatives and other community enterprises, and other organisations working to build co-operatives as a key sector of our local and national economies.

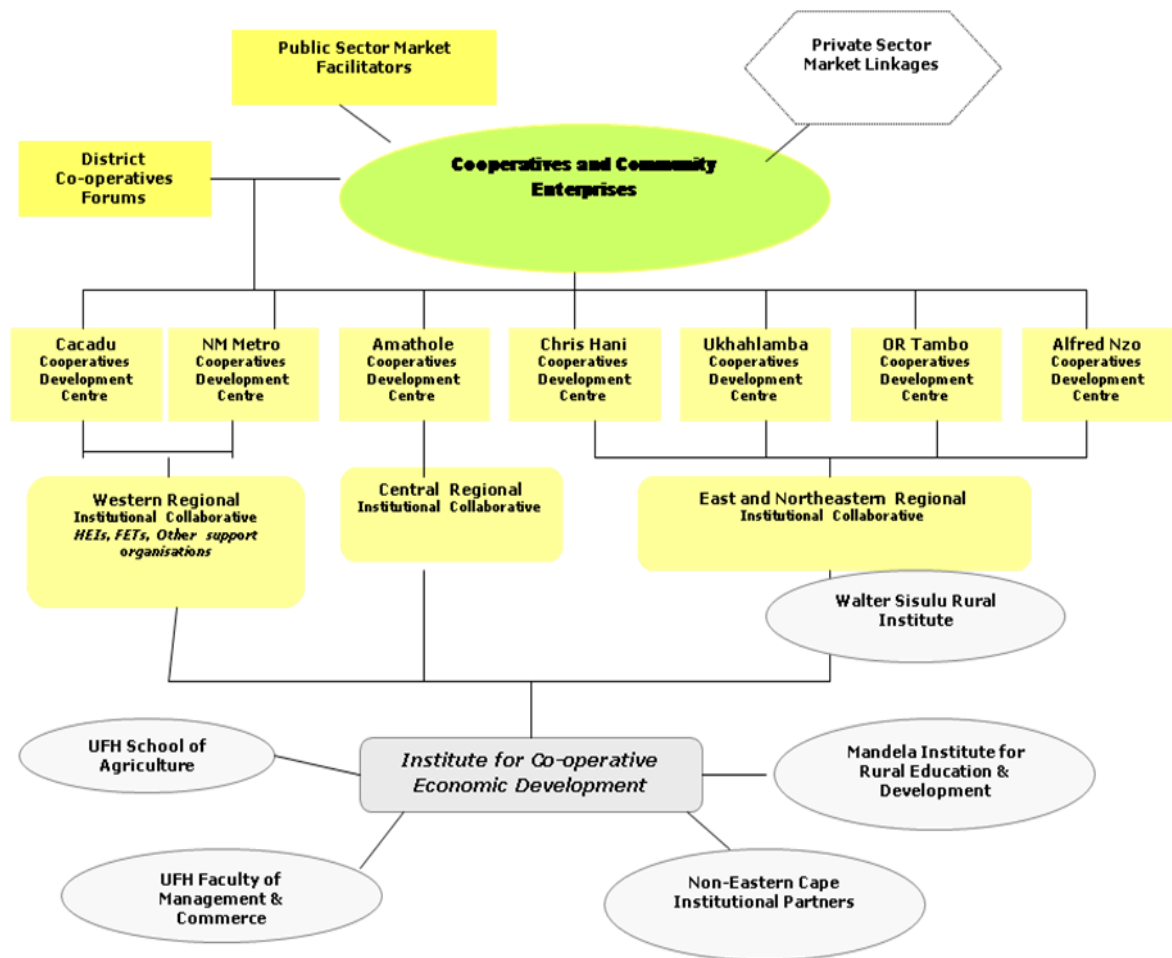
The Institute will be based at the University of Fort Hare and it is conceptualised as a shared endeavour that will network a number of institutions of learning across the Province. The following institutions are envisaged to be part of the network:

- University of Fort Hare (UFH) and the Walter Sisulu University (WSU);
- All FET Colleges that fall under the control of the Provincial Department of Education;
- All Adult Basic Education and Training (ABET) centres that fall under the Department of Education;
- All Municipality Economic Development Units and Agencies;
- Cooperatives Development Centres;
- Accredited Service Providers.

The initial establishment of the *Institute* – over the first five years of its establishment and operating – will be supported through funding from the provincial government, and a service level agreement will be entered into between the University of Fort Hare and DEDEA in this regard. The Institute will, however, develop to also diversify its income streams through other contracts relevant to its work. It is important, however, that – especially over the first few years of establishment, the Institute is not distracted from the critical task of developing the province-wide institutional support framework to train and support cooperatives, as well as the important task of developing requisite knowledge resources.

Figure 3 below outlines the structure of the Institute and the proposed institutional network surrounding it.

**Figure 3: Structure of the Institute and proposed institutional network**



**7.1.4 Establish a Provincial Co-operatives Advisory Board**

The development and management of the process of implementation of this strategy is the responsibility of DEDEA in the Province. In recognition of the role that needs to be played by co-operatives, stakeholders, labour, communities and Provincial Government in the process, this strategy proposes the establishment of the Provincial Co-operative Advisory Board.

The MEC for DEDEA will be guided by Section 85 of the Co-operatives Act No.14 of 2005. This Act sets guidelines for government to establish the Board at national level. We appropriate the same provisions to set up a Provincial Advisory Board to advise the MEC. It should be representative of the different sectors of the economy of the Eastern Cape and will be set up to advice the MEC on co-operatives development in the Eastern Cape. Functions and governance of the Board are articulated in Sections 85-91 of the Co-operatives Act No.14 of 2005

**7.1.5 Establish an Inter-Departmental Co-ordination Committee**

An Inter-Departmental Coordination Committee has already been set up at provincial level. This committee is convened by DEDEA to establish a mechanism for co-ordinating Provincial Government support for co-operative development. However this Committee needs to be formally institutionalised and its mandate accepted by all departments in the Province. It will have its own terms of reference and an annual work plan with a schedule of meetings. It is critical that all Heads of Departments in the Province assign officials who can carry

mandates of their departments to ensure the effective coordination by DEDEA. As the central repository of information on support to co-operatives in the Province, DEDEA needs support at the highest level in order for its MEC to account effectively to the Executive Council (EXCO) on the implementation of this strategy.

#### **7.1.6 Establish Co-operatives Development Centres in District Municipalities**

There is limited capacity at existing enterprise support institutions and district and local municipalities to support co-operatives and meet their needs. The baseline survey conducted also highlighted some of these shortcomings. The envisaged vision is to give all existing and would-be co-operatives access to high quality co-operative support services from a dedicated institution.

This Co-operative Development Centre is conceptualised as a locally based organisation that delivers non-financial support to co-operatives. The initial set up would be the responsibility of the municipality and DEDEA. Locally based co-operatives would then need to work out a plan to manage and own the centre over time as the movement of cooperatives gain strength and capacity. However Cooperatives should be an integral part of the governance arrangements from the start. Services to be provided by this Co-operative Development Centre should include the following:

- Assistance with pre-incorporation training to start up co-operatives;
- Basic training of members in co-operative enterprise skills;
- Access to sources of finance;
- Co-operative economy directory;
- Business planning;
- Enterprise development advice and guidance to new and existing cooperatives;
- Facilitation of access to production related support;
- Tender Advice and information;
- Co-operative Advice;
- Facilitation of market access;
- Mentoring; and
- Linkages with other co-operatives.

This strategy proposes that at District Municipality level these Co-operatives Development Centres are established or created as part of the District Co-operatives Support Plan. The end result will be 6 District Co-operatives Development Centre and one at the Metro who will all be linked to the Institute for Co-operative Enterprise Development. In establishing them, the following principles should guide Municipalities:

- These CDCs must be part of the District Co-operatives Support Plans;
- Their establishment should include wide consultation with co-operatives at District level;
- Municipalities should initiate their establishment with a long term view of transferring ownership of their management to co-operatives;
- They should be legal entities;

It is envisaged the that the Cooperative Development Centres should be surrounded by a network of existing institutions such as development agencies, development finance institutions, FET colleges and universities etc. The Cooperative Development Centres are closely linked to the Institute for Cooperative Economic Development as illustrated in the figure in section 7.1.3 above.

The establishment of these centres will take a phased approach as outlined in the workplan below.

## **7.2 Pillar 2: Support Infrastructure for Co-operatives Development**

### **7.2.1 Alignment of District Municipalities Co-operatives Implementation Plans**

DEDEA is aware that some Municipalities already have strategies to support co-operatives at local level and that some are in the process of initiating such processes. This strategy proposes that, as their key deliverable, all District Municipalities should now align all their co-operative support strategies to this Provincial Co-operatives Support Strategy. The idea is to create better co-ordination at implementation level, send out the same message across the entire Eastern Cape and ease of monitoring of impact. The end result will be 6 District Municipality Strategies and one Metro Strategy. All local municipalities will then work within the district to align their activities.

This strategy proposes the following guidelines for alignment:

- All district municipality co-operatives support strategies should be aligned to their IDPs, LED Plans and Provincial Strategy;
- Development Agencies of Municipalities should put particular emphasis on addressing the needs of co-operatives through their programmes;
- DEDEA Regional offices will co-ordinate all communication with municipalities on support to co-operatives;
- The institutional support provided to municipalities by the Department of Local Government and Traditional Affairs (DLGTA) should also take into cognisance support for the development of cooperatives; this to include the reorientation of support that DLGTA provides for the development of IDPs and local economic development (LED) strategies

### **7.2.2 Develop Co-operative Funds and Financing Mechanisms**

The financing of co-operatives is a very difficult and complex issue. A variety of methodologies have been adopted by different Provinces but this strategy will not comment on their successes and failures. This issue is further complicated by the following:

- Co-operatives exist in different sectors and it may therefore not be appropriate for a single institution that manages funds to finance all types of co-operatives in the Eastern Cape, even if provincial government can make funding available;
- Little documentation is available to DEDEA from other Provinces that have been funding co-operatives to draw lessons from – the experiment of the Province of KwaZulu-Natal, which has been in the forefront nationally, has not yet documented lessons in this regard.
- Models and best-practise do exist globally and this will need to be carefully examined.

In light of the above, the Provincial Government of the Eastern Cape is to set aside funds to be used to support co-operatives. However the following is proposed through this strategy to be in place before any pronouncements are made public:

- A clear policy, methodology and criteria should be developed, funds to be ring fenced and then the best possible institutional arrangement will need to be identified or established to manage the funds for financing worker type co-operatives. It should be stressed that these are to mainstream co-operatives into the

mainstream of the economy of the Eastern Cape and therefore efforts must be made to fund co-operatives in key growing sectors of the Province;

- A clear policy, methodology and criteria should be developed and options for institutionalising funds within organisations like Uvimba Finance Corporation to finance Agricultural Co-operatives in the Province should be interrogated;
- A clear policy, methodology and criteria should be developed by the Housing Department on financing of housing co-operatives;
- A clear policy, methodology and criteria should be developed to support the financial services sector through institutions like SAMAF and SACCOL;
- All other provincial departments and Municipality Agencies should follow the same process if any form of support is to make any meaningful contribution.

In conclusion, DEDEA will initiate the process and assist all other Departments and their agencies to do the same. This strategy and these proposals will be presented at the legislature in order to obtain support for the building of the movement in the Eastern Cape. Pronouncements on the different funds will be made only when the methodologies are agreed upon and the institutions are ready to manage and disperse the funds.

### **7.2.3 Co-operatives Training and Capacity Building**

The Eastern Cape Provincial Government, in partnership with Fort Hare University have taken a decision to establish an Institute for Co-operative Enterprise Development that will co-ordinate all activities related to capacity building in co-operatives development. As already mentioned above, the Institute will network with a variety of institutions in the Province including all FET Colleges, Other Institutions of Higher Learning, ABET Training Centres, Service Providers, Municipality Agencies, etc. The idea is to provide consistency of capacity and training activities on co-operatives development.

The following approach should be followed in the Eastern Cape Province on co-operatives training and capacity building:

- The Institute will develop courses at a level of diplomas and degrees to train personnel across the Province, co-operative members, boards, government officials, etc.
- FET Colleges and ABET centres will be capacitated by the Institute to provide specific pre-incorporation training to members of co-operatives in communities;
- Curriculum development on co-operatives to be institutionalised within FET Colleges and ABET Centres;
- A strong drive to train teachers in FET Colleges about co-operatives, law, policy, strategy, etc;
- Other service providers wishing to provide co-operatives training to co-operatives will also undergo an accreditation process by the Institute;
- Secondary co-operatives that wish to provide quality services to their members will also be evaluated and accredited through the Institute;
- The Institute, working with a network of training institutions, will also accredit and translate all training material into Xhosa and other relevant languages indigenous in the Province.
- Sector specific skills training, related to the area of production for a given cooperative also needs to be made available through FET colleges, universities and other institutions

A distinction is made here between general enterprise training and co-operatives specific training. At a minimum, the following specialised training streams should be offered:

- Co-operative Governance in line with the Co-operatives Act and the Co-operatives Regulations;
- Co-operatives Values, Principles and Philosophies;
- Co-operatives Law and Policy;
- Financing of Co-operatives;
- complying with co-operatives constitutions.
- Management and Decision Making within cooperatives;

#### **7.2.4 Co-operatives Enterprise Development, Support and Mentorship**

The Province already has a variety of interventions in this area but is largely concentrated on the SMME sector. Institutions like the ECDC, Seda, Comsec already have programmes running across the Province. Through this strategy, the Provincial Government will encourage these institutions to extend their service offerings to co-operatives. In order to track the impact of this, institutions like the ECDC will be required to report back to DEDEA on the number of co-operative accessing their business support services. DEDEA therefore proposes that other departments throughout the Province insist on such reports from their agencies. However, tailor made programmes for cooperatives will need to be developed, where generic enterprise development approaches may not be sufficient.

Support and mentorship needs to be made available in at least the following areas:

- Strategic planning and business planning;
- Economic and market analysis and intelligence;
- Facilitation and negotiation of market access;
- Product development;
- Medium-term mentoring programmes looking at all aspects of running and managing a cooperative;

A focussed programme that DEDEA wants to scale up through this strategy is quality improvement of products produced by co-operatives. This will be preceded by a process of conducting research on “what kinds of products are produced by co-operatives”.

If the Eastern Cape Province is going to host buying missions and organise selling missions of products produced by co-operatives, it is absolutely important that DEDEA ensures that these products are of high quality and they carry an SABS approval stamp. It is also encouraged once more that these products should reflect the priority sectors of the Eastern Cape economy in order to mainstream co-operatives into the economy. The Industrial Development Strategy of the Province and the Sector Analysis will assist DEDEA in identifying downstream opportunities for co-operatives in the Province.

#### **7.2.5 Procurement Opportunities for Co-operatives**

Provincial Government has pronounced its intentions of opening access to procurement opportunities to co-operatives. It is recognised that if there is no market to consume their products, there is little need to promote the development and support of community enterprises. DEDEA and Provincial Treasury have commenced a process of developing a *Provincial Public LED Procurement Strategy* that will outline how provincial goods and

services procurement may benefit the provincial and local economies. The first step in this process was to commission a study investigating provincial goods and services spend over the past three years and identify areas of opportunity for local enterprises and cooperatives. DEDEA will fund a similar study at District Municipal level in the 2008/2009 financial year. An intergovernmental *Provincial LED Procurement Barometer* that will track and monitor business transacted by government and its impact on the regional and local economies will also be established.

This strategy also proposes that the *Provincial Public LED Procurement Strategy* should set aside a 30% quota for co-operatives alongside the 30% quotas set aside for SMMEs in national procurement policy. Proper oversight and monitoring of supplying co-operatives should be kept in check by all Departments in order to ensure that fly-by-night co-operatives and pseudo-co-operatives do not abuse the system.

#### **7.2.6 Youth and Women Participation in Co-operatives**

Young people and women, especially in rural Eastern Cape, are the most hit by unemployment, poverty and diseases. Efforts should be put in place for them to actively participate in co-operatives in order to at least stand a chance to economically empower themselves.

DEDEA will make a concerted effort to engage organisations like Umsobomvu Youth Fund and South African Women Enterprise Network at national level and also relevant women and youth structures at provincial level. This is to find means and ways of supporting, funding and capacitating co-operatives managed by youth and women. DEDEA's role here will be to ensure that lobbying takes place and that support for co-operatives development filters to them.

### **7.3 Pillar 3: Building an Independent Co-operative Movement**

To ensure the success of the co-operative movement in the Eastern Cape it is important to recognise that government's role is to ensure that an enabling environment in the Province to support co-operatives. As already highlighted in Chapter 4 of this document, the strategy is guided by the provisions of the Co-operatives Act No.14 of 2005 and a variety of Co-operatives sectors are identified in the Act. Building a movement therefore relies on the strengthening of these sectors and that role can only be accomplished by co-operatives themselves. This strategy further encourages the autonomy of primary co-operatives in deciding the right time for them to establish secondary and tertiary co-operatives.

In an endeavour to provide the enabling environment and in line with the provisions of the Co-operatives Act, the Eastern Cape Provincial Government will assist and encourage Co-operatives Sector growth rather than Regional or District Co-operative growth. The involvement of different sector departments and their respective stakeholders is therefore critical.

The following proposals are guided by the provisions of the Act and they seek to highlight the role that sector Provincial Government Departments and their agencies can help in support the growth of Co-operative Sectors in the Province:

#### **7.3.1 Worker Co-operatives**

The Province has in place a Provincial Growth and Development Plan and currently working on a Provincial Industrial Strategy in order to identify priority economic sectors that drives the economy of the Eastern Cape. The sector Department that runs economic development

of the Province is the Department of Economic Development and Environmental Affairs and its agencies, ECDC and the like. DEDEA, its agencies and co-operatives stakeholders need to develop a clear plan to integrate co-operatives into the mainstream of the Eastern Cape economy. These co-operatives should be encouraged to establish themselves in line with the priority economic sectors of the Province identified through the PGDP and Provincial Industrial Strategy.

### **7.3.2 Agricultural Co-operatives**

Agriculture is the one of the priority identified and extremely important sector in the Province. It is also the sector where most cooperatives are active. The Department of Agriculture and Land Affairs, its agencies and programmes are critical to supporting the development of co-operatives in this sector. This strategy proposes that this Department leads its agencies, in consultation with co-operatives in this sector and the farming community, to develop a sector plan for co-operatives in this sector.

### **7.3.3 Housing Co-operatives**

As part of its Social Housing Programme under the Provincial Housing Strategy, the Provincial Department of Housing will lead a process of developing a growth plan for supporting housing co-operatives in the Province. Apex organisations like the South African Housing Co-operatives Association (SAHCA) already have primary housing co-operatives based in East London and should provide technical advice to the Department in the development of this growth plan.

### **7.3.4 Social Services Co-operatives**

These types of co-operatives provide a variety of social services to their community, mostly not supported or receiving limited support. This strategy proposes that the Provincial Department of Social Development supports the development of these co-operatives because they can assist in the delivery of social services to communities. Through its existing programmes, this strategy entrusts this Department to develop a clear programme to support social services co-operatives in the Province.

### **7.3.5 Financial Services Co-operatives**

These co-operatives exist in many forms and some are regulated and others not. A Co-operatives Banks Act No.40 of 2007 was developed by the National Treasury and promulgated at the end of 2007 to regulate services of Financial Services Co-operatives. The only institution of government known to be providing funding to Financial Service Co-operatives is SAMAF. The only apex body that regulates Savings and Credit Co-operatives (SACCOs) is the Savings and Credit Co-operative League (SACCOL). This strategy proposes that the Provincial Treasury, in line with the provisions Co-op Banks Act of 2007, work with co-operative institutions like SAMAF, SACCOL, provincial stakeholders and co-operatives to develop a support programme for Financial Services Co-operatives in the Province.

### **7.3.6 Bottom Up Building of the Co-operative Movement**

Section 10.2 of the Co-operatives Policy of 2004 reads: “co-operatives are not government organizations. But the government will intervene through designing supply and demand sides support measures to grow this sector and utilizing the existing institutions and

programmes available". What is important from this quotation is that the national policy recognises that co-operatives are autonomous organisations and therefore can never be controlled by state. This strategy shall adopt such principles in its implementation.

Bottom up building of the movement refers to creating an environment for strong sustainable primary co-operatives. The establishment of secondary co-operatives, for instance, should largely be premised on the needs of primary co-operatives as such are set up by primary co-operatives. In other words, it is primary co-operatives that should establish secondary co-operatives, and not the other way round. The same goes with the relationship between secondary and tertiary co-operatives.

This provincial strategy therefore adopts as a principle that the co-operative movement in the Eastern Cape will be encouraged to develop from below by supporting the establishment of strong primary co-operatives which will in turn establish secondary and tertiary co-operatives respectively.

This provincial strategy also adopts as a principle that the co-operative movement in the Eastern Cape will be encouraged to organise itself according to Co-operative Sectors as defined above rather than regions, districts or any other form. If district or other level forums are formed, these should be formed through a bottom up and organic process, not as the result of a government initiative from above.

Democratic and bottom up organisation of cooperatives provides the basis for cooperatives participation in the Provincial Co-operatives Advisory Council that will be established.

### **7.3.7 Conferences, Summits and Study Tours**

Conferences are important, especially for a growing movement, in sharing experiences and case studies. Internationally, International Co-operatives Alliance holds General Assemblies from which member apex organisations participate. This is an excellent platform to learn more about what other co-operative organisations are doing around the world and for networking purposes.

The **dti** also organises Co-operatives Conferences that bring together co-operatives around the country, stakeholders and government departments. This is also a good platform to share experiences.

This strategy proposes that, for a start, DEDEA continuously makes this information available to co-operatives in the Province. Proposed means of shall include the following:

- Organising Regional and/or Sectoral Co-operative Seminars;
- Organising with Co-operatives in the Eastern Cape Annual Provincial Co-operatives Conference, starting in 2009;
- Hosting a Co-operatives Product Exhibitions and Expos;
- Co-ordinating Study Tours co-operative organisations to other Province s and international organisations to learn about other experiences.

## **7.4 Pillar 4: Research, Knowledge & Database Management and Statistics**

### **7.4.1 Research**

Research and knowledge generation is integral to this strategy. A significant knowledge base has been built on the history of cooperatives in South Africa, particularly the role cooperatives played in capital development and the development of the agricultural sector. Some literature also exists about community cooperatives and appropriate models for successful cooperative and community enterprises. There is also a significant knowledge base on local economic development and enterprise development in South Africa. However, there is still a need to further develop the knowledge base on cooperatives, and on possibilities for a more democratic and social economy.

Thus this strategy proposes that research programmes needs to be developed in the following areas:

- Policy Research: Policy Research will mainly contribute to better understanding the impact of the current policy regime regulating cooperative and collective enterprise development. This is aimed to contribute to policy reform and systems development local, national and international level.
- Applied Research: Applied research will contribute to a better understanding of the existence, state and impact of the co-operatives sector in South Africa.
- Action Research: Action research will be directed at the organisation of cooperatives and community enterprises, successful models etc.
- Sector Specific Research: Sector specific research is necessarily to provide sector specific information to cooperatives and prospective cooperatives, support organisation and Cooperative Development Centres. This will include value chain and market analysis
- Product Development: Over time, product development capacity needs to be built to ensure that cooperatives can produce and supply cutting edge products and services at all elves of the economy. It should be stressed that technological development is essential in order to promote professional cooperatives at all levels of the economy.

It is envisaged that the Institute for Cooperative Economic Development will be at the centre of the research programme. Results of the research above will inform curriculum development, materials development, further programme and systems development. Networks will also be built with institutions nationally and internationally, particularly on the two last elements.

### **7.4.2 Knowledge Management**

The Institute for Cooperative Economic Development will be positioned as the main repository of knowledge and information about cooperatives. The Institute in collaboration with DEDEA and the Advisory Board should develop systems for knowledge management that simultaneously pushes the frontiers of knowledge generation and makes information and knowledge available to the cooperatives movement itself.

### **7.4.3 Annual Statistics and State of Co-operatives Surveys**

The Deputy Registrar proposed in the Directorate: Cooperatives Support Unit in DEDEA will have the main responsibility for registration of cooperatives and will keep a provincial database of cooperatives. The Deputy Registrar will provide the linkage between

Cooperatives in the Province and CIPRO. This database should be available online and updated on an annual basis.

DEDEA should release an annual update of cooperative statistics and gradually build a comprehensive database of cooperatives in the Eastern Cape and their impact on social, cultural and economic transformation in their communities. The Annual Statistics and regular State of Cooperative Surveys should be developed and released in collaboration with the Institute. State and Cooperative Surveys should be released on a bi-annual basis and provide a much broader picture than the Annual Statistics update. The Survey should include research results from the above, case studies, evaluation and impact evaluation etc.

#### **7.4.4 Dissemination, Mobilisation and Awareness Creation**

Information generated by research should be disseminated to the cooperatives movement, the general public, government and other relevant institutions. Regular publications should be developed and targeted at different audiences. Information should be available in popular forms as well as via conscious use of the languages in use in the Province. Materials such as handbooks, manuals and fact sheets for use by cooperatives should be widely available in accessible formats.

Strategies for dissemination will include:

- Use of existing print media
- Use of electronic media – radio in particular
- Distribute through NGOs, Community Based Organisations, Church organisations and Trade Unions,
- Cooperatives Development Centres
- FET Colleges and ABET Centres
- Government Institutions and extension of these such as schools, clinics and multi-purpose community centres.

A programme for mobilisation and awareness creation about this strategy should be developed. Key elements of this include:

- A general public awareness campaign should be developed to popularise this strategy and garner support for cooperative development from all relevant communities.
- Government departments and institutions should be mobilised to understand how to respond to and implement this strategy. Departments and Institutions should be encouraged to develop and implement their own plans or bring existing plans in line with this strategy.
- Other institutions that are envisaged to be part of this strategy should immediately be confirmed and consulted.

DEDEA bears the main responsibility for dissemination and mobilisation, but will be supported by the Institute and the institutional network surrounding the institute.

## 8 ROLES OF PROVINCIAL STAKEHOLDERS

### **8.1 Department of Economic Development and Environmental Affairs (DEDEA)**

At a national level, the Department of Trade and Industry (**the dti**) is tasked with the overall responsibility of policy development, legislation, national strategy, communication and research on a national co-operatives programme. DEDEA being a link department with **the dti** in the Eastern Cape is therefore entrusted with these functions at a provincial level. The role of DEDEA can therefore be summarised as follows:

- Co-ordinate provincial stakeholders and co-operatives towards the development of a Provincial Co-operatives Support Strategy;
- Be a central reporting centre of all Co-operatives Support activities in the Province , including those of other departments;
- Develop Monitoring and Evaluation Guidelines for the implementation of this Strategy;
- Through the MEC, provide a central point of communication to the legislature on co-operatives development in the Province ;
- Co-ordinate annual research activities in the Province ;
- Provide Secretariat Services to the Provincial Co-operatives Advisory Board.

### **8.2 Other Provincial Government Departments**

Co-operatives development cuts across the work of the mandates of government largely because the Co-operatives Act No.14 of 2005 regulates co-operatives of different kinds and formations. As already discussed above, provincial government departments have a responsibility, in consultation with sector co-operatives and stakeholders, of developing co-operatives sector growth programmes. These co-operative sector programmes will largely fall within their existing programmes but with clear targets in terms of how many sector co-operatives will be supported and who will support them. DEDEA will assist these departments to make sure that this work is undertaken. Where cooperative support activities are already taking place, such as in the Departments of Agriculture, Social Development, Education and Public Works, sector plans will need to be developed and implemented in line with the objectives and principles of this strategy.

This is proposed because the work of supporting co-operatives in the Eastern Cape is not only the responsibility of DEDEA, but cuts across sector departments. Over and above the abovementioned role that DEDEA is playing, it still has the responsibility of ensuring that Worker Co-operatives are promoted in the economy of the Eastern Cape.

### **8.3 Local Government Structures**

Local government structures are critical because it is exactly where co-operatives, their members and their activities take place. This strategy proposes that there be alignment of strategies to support co-operatives between this Provincial Co-operatives Support Strategies and all other Strategies that either exist or yet to be developed at local government level.

The responsibility of Municipalities should therefore be to use this strategy in order to develop their own co-operatives strategy. DEDEA recognises that some District Municipalities do have co-operatives strategies in place and some are in the process of commissioning the work. In order to ensure consistency and co-ordination of co-operatives support in the Province, all local government structures shall align their co-operatives strategies with this provincial strategy, the PGDP and their respective competitive sectors and also their IDPs. Reporting on activities will be through SALGA-EC which will be represented at a Provincial Inter-departmental Committee to be chaired by DEDEA.

## **8.4 Trade Unions**

The Trade Union Federation, COSATU, has been continuously active in advocating for a change in the policy and support environment for co-operatives in the country. COSATU and a number of its affiliates have adopted a series of resolutions at their national congresses emphasising the need for a progressive and democratic co-operative movement. These resolutions also emphasized the specific role trade unions can play in the promotion of co-operatives, among their members, the informal sector and in society as a whole.

Trade unions have mainly been interested in what is perhaps the most complementary and easily organized of co-operatives for union members – financial co-operatives, especially savings and credit and insurance co-ops. As a result SACCOs have become the fastest growing part of the co-operative movement in the workplace. The strengths trade unions bring to co-op development include:

- Organising and negotiating skills;
- Access to labour and employers;
- Access to government;
- An existing membership base;

The Provincial government of the Eastern Cape, the Department of Labour and trade unions should set up partnership structures to promote co-operatives in the following context:

- The promotion of worker co-operatives;
- The promotion of financial co-operatives;
- The promotion of consumer co-operatives;
- The promotion of housing co-operatives.

Trade unions also have a role to play in promotion of worker cooperatives and in providing economic intelligence to the cooperative movement.

## **8.5 Private Sector**

At a national level, the business constituency played a big role in the development of the Co-operatives legislation and of the respective policies. This means that business should be familiar with the Co-operatives legislation. Some co-operatives in specialized sectors like construction and financial services will have to join Provincial Business Associations that are related to their particular sectors. The private sector is could assist in the implementation of this strategy in the following ways: (list is not conclusive)

- Provide downstream and upstream procurement opportunities to co-operatives in their respective sectors;
- Provide subcontracting opportunities for co-operatives in line with their charters;

- Through their social responsibility programmes, assist co-operatives in their value chain with mentoring in areas of: quality; contract management; expert knowledge of the industry, both upstream and downstream; business viability etc;
- Donation of unutilized buildings to co-operatives who don't have access to working premises;
- Assist in formalization of their employee share ownership programmes (ESOPS) into co-operatives to ensure full ownership of these schemes by employees;
- Assist employees to take over factories in the form of co-operatives in case of closures;
- In cases where employees form co-operatives in areas where they were not operating before, such as the services sector, assist with the retraining of employees to ensure the viability of their enterprises.

## **8.6 Community Constituencies**

'Community' constitutes ordinary members of society, primary co-operatives and co-operatives associations. Such communities have, for a very long time, been pursuing collective and co-operative forms of enterprises to meet their social and economic needs. Since the late 1990s, these types of collective enterprises have been growing, but often with inadequate support. The community constituency is inherently the ultimate beneficiary of growth of sustainable co-operatives. They also however have a role to play in the development of this sector. The following roles have been identified for the community constituency:

- Mobilisation of communities to form co-operatives through organised groups like churches, youth clubs and schools;
- Mentorship for co-operatives members and sharing experiences of success and failure through co-operatives associations.
- Education and promotion of the co-operatives concept through churches, schools, social clubs, NGOs, CBOs, traditional authorities and co-operative associations;
- Ploughing back benefits obtained through co-operative enterprises in to their communities in line with the seventh co-operatives principle "*Concern for Community*".

## 9 MONITORING, REPORTING AND EVALUATION

### 9.1 Monitoring

Effective reporting, monitoring and evaluation of the implementation and performance of this strategy is of critical importance. There should also be a continuous process of learning from experience in order to ensure improvements and necessary changes in policy, approach and implementation.

Recognising that the various agencies that will implement this strategy have their own reporting and monitoring mechanisms, the strategy emphasise the importance of developing and implementing an overarching monitoring framework. This will enable government, as well as cooperatives to get feedback on the performance of the strategy.

DEDEA, working with the Co-operative Advisory Board and the Institute, will initiate and formulate a comprehensive, system-wide performance monitoring framework for national strategy. Monitoring of this strategy will be based on the implementation of the pillars and their key performance indicators. For DEDEA the following institutional infrastructure needs to be in place to allow it to monitor the Provincial co-operatives support programme:

- Directorate: Co-operatives Support Unit within DEDEA;
- Institute for Co-operatives Economic Development;
- Provincial Co-operatives Advisory Board;
- Inter-Departmental Co-ordination Committee;
- Co-operatives Development Centres in District Municipalities.

Once the institutional capacity within DEDEA is in place, it should become easier to track the implementation of activities. An annual Provincial Co-operatives Business Plan involving all stakeholders will be co-ordinated by DEDEA. The roles of stakeholders will be clearly articulated in the Business Plan and each stakeholder will be responsible for implementation of specific co-operatives sector programmes.

### 9.2 Reporting

Firstly, stakeholders represented in the Provincial Co-operatives Advisory Board will not only advise the MEC: DEDEA on issues related to the development of co-operatives. They will also report on their respective mandates.

Secondly, an inter-departmental committee will provide a platform where all provincial government departments will report on their respective co-operatives sector programmes. This Committee will be chaired by DEDEA and will meet on a monthly basis to guide the work of government in supporting co-operatives in the Eastern Cape.

Thirdly, through the Directorate: Co-operative Support Unit, all regions of DEDEA will report to the Directorate on co-operative activities in their regions. These reports will be combined with DEDEA's reports and Quarterly Reports will be produced on the impact of the strategy.

### **9.3 Evaluation Logistics**

Evaluation is a time-bound task that aims to assess systematically and objectively the relevance, performance and success of ongoing or completed projects. It is a process by which the project inputs, activities and results are analysed and judged against explicitly stated norms – objectives, work schedule, budget etc.

Assessment of this strategy will take the form of annual evaluations to be contracted out to independent service providers and managed by the DEDEA through the Directorate: Co-operatives Support Unit. The terms of reference for all evaluations should be in line with the Annual Provincial Co-operative Business Plan. The reports should assist in fine tuning implementation activities, identify challenges and assist in building a knowledge base on co-operatives development in the Eastern Cape.

## 10 HIGH LEVEL IMPLEMENTATION PLAN: 2008 – 2011

### 10.1 HIGH LEVEL IMPLEMENTATION PLAN: 2008 – 2010

Measurable Objective	Financial Year			Partner(s)
	2008/09	2009/10	2010/2011	
<b>Pillar 1:</b>				
Establish Institutional Capacity for supporting co-operatives	Establish a Directorate: Co-operatives Support Unit	Consolidation of the Registration process in the Eastern Cape	Appoint all the staff of the Directorate	CIPRO Seda, ECDC
	Establish a Provincial Institute for Co-operatives Enterprise Development	6 District Co-operatives Development Programmes	Certificate and Diploma Courses on Co-operatives Development accredited Co-operatives Training Calendar developed	Dept of Education Fort Hare District Municipalities
	Establish a Provincial Co-operatives Advisory Board	3 Co-operatives Development Centres established	3 Co-operatives Development Centres established	District and Local Municipalities
	Establish an Inter-Departmental Co-ordination Committee	4 Meetings of the Committee held Departmental Co-op Support Programmes presented	4 Meeting of the Committee held Progress Reports of the Departmental support to co-ops	All Provincial Government Departments

Measurable Objective	Financial Year			Partner(s)
	2008/09	2009/10	2010/2011	
<b>Pillar 2:</b>				
Develop Support Programmes for Co-operatives Development	Alignment of District Municipalities Co-operatives Implementation Plans	Establish and launch financing mechanism(s)	Co-operatives Fund Established and functioning No. of co-operatives funded	District and Local Municipalities  Other sectoral

				Departments
	Conduct scoping study and develop models for Financing Mechanisms Co-operatives	Co-operatives Training and Capacity Building	Training Institutions provide co-op training	Dept of Education and Labour Fort Hare, WSU, FET Colleges and others
	Procurement Opportunities for Co-operatives	Co-operatives Enterprise Development, Support and Mentorship	Monitoring reports of procurement to co-operatives	Provincial Treasury Seda ECDC, etc
		Youth and Women and the Disabled Participation in Co-operatives	Youth Co-operatives Programme launched Women Co-operatives Programme launched	Youth Organisations Women's Organisations Disabled People's Organisations
	Align sector plans of Departments of Housing, Agriculture, Public Works, Education and Social Development.	Sector plans and cooperative support programmed implemented	Sector plans and cooperative support programmed implemented	Dept of Agriculture Provincial Treasury Department of Housing Department of Agriculture Department of Education Department of Public Works Cooperatives
	Develop sector plan for supporting an independent Financial Services Co-operatives Sector	Sector plans and cooperative support programmed implemented	Sector plans and cooperative support programmed implemented	SAMAF SACCOL

Measurable Objective	Financial Year			Partner(s)
	2008/09	2009/10	2010/2011	
<b>Pillar 3:</b> Building and Independent Co-operative Movement	Establish provincial cooperative APEX forum linked to national forum.	Provincial cooperative APEX forum fully functioning.  6 meetings held	Provincial cooperative APEX forum fully functioning.  6 meetings held	DEDEA Cooperatives

	Establish 3 district APEX platforms	Establish 4 district APEX platforms	7 district APEX platforms fully functioning	DEDEA Cooperatives District and Local Municipalities
	Host annual provincial cooperative trade fare	Host annual provincial cooperative trade fare	Host annual provincial cooperative trade fare	Cooperatives Departments District and Local Municipalities
	Conferences, Summits and Study Tours	Conferences, Summits and Study Tours	Conferences, Summits and Study Tours	

Measurable Objective	Financial Year			Partner(s)
	2008/09	2009/10	2010/2011	
<b>Pillar 4:</b>				
Research, Knowledge & Database Management and Statistics	Ongoing Research Topics Commissioned on Co-operatives	Ongoing Research Topics Commissioned on Co-operatives	Ongoing Research Topics Commissioned on Co-operatives	Institutions of Higher Learning ECSECC
	Annual Statistics and State of Co-operatives Surveys	Annual Statistics and State of Co-operatives Surveys	Annual Statistics and State of Co-operatives Surveys	Institutions of Higher Learning ECSECC
	Dissemination, Mobilisation and Awareness Creation	Dissemination, Mobilisation and Awareness Creation	Dissemination, Mobilisation and Awareness Creation	District Municipalities Local Municipalities Co-operatives
		Knowledge Management Seminars	Knowledge Management Seminars	Institutions of Higher Learning ECSECC

10.2 ANNUAL PERFORMANCE PLANS - FINANCIAL YEAR 2008/09

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
1. Establish Institutional Capacity for supporting co-operatives	Establish a Directorate: Co-operatives Support Unit			Temporarily assign existing staff of DEDEA to work on the implementation of the Co-op Strategy.  Develop business plan and budget for the unit	Review implementation of Develop Staff Profiles. Finalise business plan and budget for Directorate  Recruit, Appoint and Capacitate Staff	DEDEA
	Establish a Provincial Institute for Co-operatives Enterprise Development			Approval of Business Plan of Institute  Transfer of funds	Curriculum review and design  Establishment of Online Learning, Information and development Support System	University of Fort Hare
	Establish a Provincial Co-operatives Advisory Board			Solicit approval from the dti through section 85 of the Coop Act.  Develop Terms of Reference for the Advisory Board	Advertise a call for nominations and appoint members	Provincial Stakeholders  Co-operatives
	Establish an Inter-Departmental Co-ordination Committee			HOD's of Departments to nominate senior officials to the Committee	Develop a programme and schedule of meetings for the committee	All Provincial Government Departments
Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
2. Develop Support Programmes for	Alignment of District Municipalities Co-			Engage DM to align with the provincial coop strategy	Ensure all Municipalities have co-op programmes	District Municipalities

Co-operatives Development	operatives Implementation Plans				Host a workshop where all DMs present their programmes	
	Develop Co-operatives Funds and Financing Mechanisms for Worker Co-operatives			Engage all relevant financial institutions to ring-fence funds for worker cooperatives	Conduct scoping study and develop models for Financing Mechanisms Co-operatives  Develop clear methodologies and criteria for the fund	ECDC
	Procurement Opportunities for Co-operatives			Engage Provincial Treasury on Procurement from co-operatives  Analyse what government can procure from co-ops and small companies and value the services	Announce a Provincial Policy Statement on Procurement from co-operatives and small companies  Instruct that Supply Chain Management Policies be aligned to the Policy Statement across the province	Provincial Treasury
	Align sector plans of Departments of Housing, Agriculture, Public Works, Education and Social Development.			Engage departments to align and/or establish programs in line with strategy	Assist departments developing business plans for 2009/10 and obtain funding  Present this support programme at an Interdepartmental Committee on Co-ops chaired by DEDEA  Set clear targets of the number of co-ops to be supported  Present this programme at	

					an Interdepartmental Committee Meeting	
	Develop sector plan for supporting an independent Financial Services Co-operatives Sector			Engage SACCOL and SAMAF to develop program to support independent Financial Services Co-operatives	<p>Programme developed and cooperatives supported</p> <p>Present this support programme at an Interdepartmental Committee on Co-ops chaired by DEDEA</p> <p>Set clear targets of the number of co-ops to be supported</p>	

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Building and Independent Co-operative Movement	Establish provincial cooperative APEX forum linked to national forum.			<p>Establish Provincial forum</p> <p>Participate in national forum</p>	<p>Establish Provincial forum</p> <p>Participate in national forum</p>	Cooperatives dti
	Establish 3 district APEX platforms			<p>Support the established Amathole forum</p> <p>Engage Cooperatives at district level</p>	<p>Establish 2 district forums</p> <p>Support forums</p>	Provincial Dept of Agriculture and its stakeholders
	Host annual provincial cooperative trade fare			Set up planning committee for annual 'trade fare'	Hold 'trade fare'	Cooperatives Departments District Municipalities
	Conferences, Summits and Study Tours				Conduct one international study tour	ECSECC University of Fort Hare Cooperatives Institute

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Research, Knowledge & Database Management and Statistics	Ongoing Research Topics Commissioned on Co-operatives			Launch and Publish the result of the Baseline survey	Review the dti's verification of cooperatives. Based on results of dti database, commission an audit of all registered co-operatives and develop accessible electronic database.  Develop accessible database	Higher Education Institutions  ECSECC
	Annual Statistics and State of Co-operatives Surveys				Develop project plan for Annual Statistics and State of Co-operatives Surveys in the Eastern Cape. Align with national processes.	Higher Education Institutions
	Dissemination, Mobilisation and Awareness Creation			Develop a calendar of information sessions in Local Municipalities for awareness creation about co-operatives  Develop Information pamphlets for cooperatives, policy makers, cooperatives and economic development practitioners	Conduct information sessions in Municipalities about the laws governing co-ops, provincial strategy and available support  Publish pamphlet series	District and Local Municipalities  Co-operatives  ECSECC

### 10.3 FINANCIAL YEAR 2009/10 ACTION PLAN

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Establish Institutional Capacity for supporting co-operatives	Consolidation of the Registration process in the Eastern Cape	<p>Premier, through the MEC write to the Minister of <b>dti</b> to seek approval to appoint Deputy Registrar in EC (section 78 of Act)</p> <p>On approval, develop job profile and specifications of the Deputy Registrar's Office</p>	<p>Map out the new Provincial Registration Process for co-ops</p> <p>Engage with CIPRO to link to provide a link with their MIS for synchronisation</p>	<p>Identify and establish office infrastructure</p> <p>Run a registration test pilot using the link with CIPRO MIS</p>	Publish and launch the new Registration process for co-operative	CIPRO Seda ECDC
	Establish Co-operatives Support Units in District Municipalities	Engage all District Municipalities to establish co-ops support programs	<p>Launch all District Co-operatives Programmes</p> <p>Recruit and Train staff at Municipality level about co-operatives law, policy and the provincial strategy</p>	<p>Provide ongoing support to co-operatives as per their programme targets</p> <p>Report, through SALGA to the Provincial Interdepartmental Committee</p>	<p>Provide ongoing support to co-operatives as per their programme targets</p> <p>Report, through SALGA to the Provincial Interdepartmental Committee</p>	District and Local Municipalities
	Establish Co-operatives Development Centres (CDC) in District Municipalities	<p>DEDEA to document lessons learnt from the NMBM experience about a CDC.</p> <p>Gather information about best practice CDCs</p> <p>Study Tour with Municipality Officials to learn more about CDCs</p>	<p>Document Study Tour findings</p> <p>Develop a Framework for CDCs in the province</p>	Workshop all Municipalities and Co-operatives about the CDC concept	<p>Establish pilot CDCs in 3 Municipalities</p> <p>Municipalities to budget for CDCs and facilitate their establishment in partnership with co-operatives</p>	<p>District and Local Municipalities</p> <p>Co-operatives</p>

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Develop Support Programmes for Co-operatives Development	Develop Co-operatives Funds and Financing Mechanisms for other types of Co-operatives	Engage sectoral Departments to design specific funding programmes for co-ops in their sectors  Align these funding methodologies and criteria to the new Act Develop monitoring mechanisms for implementation	Institutionalise these funds and support programmes within sector stakeholders  Present these methodologies to the Provincial Interdepartmental Committee	Organise an awareness campaign to sectoral co-operatives to explain the criteria and methodology of accessing support	Process applications and provide ongoing to specific sector co-operatives	Dept of Housing and its stakeholders  Provincial Treasury and SAMAF  Other sectoral Departments in line with the Act
	Co-operatives Training and Capacity Building	Secure all the already developed training manuals from the dti  Launch Cooperative Institute and explain in detail to stakeholders how it will work	Translation of all Co-operatives Training Manuals, Act. Policy, Regulations and Provincial Strategy into isiXhosa for ease of reference for the general population	Curriculum design and development,  Facilitate accreditation of all training courses developed through SETAs and Universities  Recruitment and training of Abakwezeli	Institutionalisation of courses within Institutions of Higher Learning in the Province  Develop a clear calendar of training for officials, co-operatives members and the general population of the EC	Dept of Education and Labour  <i>The Institute</i> Fort Hare, WSU,  FET Colleges and others

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
	Co-operatives Enterprise Development, Support	Publish the results of the baseline and	Hold a workshop with service providers to	Develop a support programmes for	Appoint a service provider in the province	ECDC

	and Mentorship	<p>highlight the needs of co-operatives</p> <p>Engage service providers and development agencies/CDCs to design support programmes to address the needs</p> <p>Streamline support programs across departments</p>	<p>explain the needs and how co-ops should be assisted</p> <p>Develop monitoring templates for service providers</p>	<p>quality improvement of co-operatives products with the SABS and SAQI</p>	<p>to support quality improvement of co-ops products</p>	<p>Seda</p> <p>Service Providers</p> <p>SA Quality Institute (SAQI)</p> <p>SABS</p>
	Youth and Women and the Disabled Participation in Co-operatives	<p>Engage provincial Youth Organisations through the PYC in order to guide a process of developing their programmes of youth co-operatives</p> <p>Host a workshop to bring together youth organisations and their support structures in order to highlight the need to encourage youth into co-operatives.</p>	<p>Engage provincial Women's Organisations in order to guide a process of developing their programmes of women in co-operatives</p> <p>Host a workshop to bring together women's organisations and their support structures in order to highlight the need to enhance and support women participation in co-operatives.</p>	<p>Engage organised structures of Disabled people to identify opportunities and support available to incorporate people with Disabilities into co-operatives</p> <p>Dept of Social Development to lead this sector</p>	<p>Report on all of these in the Interdepartmental Committee on Co-operatives</p>	<p>PYC</p> <p>Women's Organisations</p> <p>Disabled People's Organisations</p> <p>Dept of Social Development</p> <p>SAWEN</p> <p>UYF</p>

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Building and Independent Co-operative Movement	Building an independent Housing Co-operatives Sector	Engage the Dept of Housing to Design a Programme to Support	Hold a workshop with all stakeholders in the Housing Co-operatives	Awareness campaign on the agreed upon programme and its	Monitor the implementation of this programme under the	Dept of Housing SA Housing Co-

		Housing Co-operatives  Develop a programmes to support the mainstreaming of co-operatives in the housing sector	Sector to define their role  Develop targets and budgets for Housing Co-operatives in the Eastern Cape	accessibility to members wanting to start housing co-operatives  Contract SP to manage and report on the progress	Dept of Housing  Representative of the Dept of Housing to report activities of the programmes in the inter-departmental committee	operatives Association
	Supporting an independent Financial Services Co-operatives Sector	Engage Provincial Treasury on the Provisions of the Co-operatives Banks Act No.40 of 2007  Create awareness of the regulations and this Act for co-operatives in this sector	Engage SAMAF to extend more support to financial services co-operatives  Hold awareness campaign in all Districts about the support SAMAF provides to financial services co-operatives	SAMAF, Provincial Treasury and DEDEA develop targets for number of cooperatives to be supported in the province  Host a workshop for the whole province invite the Office of the Regulator of Co-operative Banks to explain the Act and Regulations to stakeholders	Representative of Provincial Treasury to report activities of the programmes in the inter-departmental committee	National and Provincial Treasury  SACCOL  SAMAF  Office of the Regulator of Co-operative Banks
	Provincial and district APEX	Quarterly meetings of provincial APEX and 2 district forums  Establish remaining district forums	Quarterly meetings of provincial APEX and district forums	Quarterly meetings of provincial APEX and district forums	Quarterly meetings of provincial APEX and district forums	DEDEA Coops Districts
	Conferences, Summits and Study Tours	Host a Co-operatives Expo to expose products produced by co-operatives in the province  Conduct a study tour to CDCs	Arrange District Information Seminar and invite experts in different areas of co-operatives development	Host a 3 day conference in the province to discuss best practice in co-operatives sectors, international lessons	Consolidate all lessons for the year and publish a provincial knowledge Management Manual  Attend an International Co-op Alliance Assembly	Institutions of Higher Learning  Co-operatives  Government Structures

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Research, Knowledge & Database Management and Statistics	Ongoing Research Topics Commissioned on Co-operatives	<p>Publish Results of the Audit Reports of Registered Co-ops in the Province</p> <p>Hold District Workshops to update registration status of all co-operatives in the province</p> <p>Develop research agenda</p>	<p>Establish programme of research in collaboration with institutions of higher learning and international institutions</p> <p>Establish cooperative resource centre (physical and virtual)</p>	<p>Compile a District Profile of Co-operatives and their Products for exposure in international markets</p> <p>Operate resource centre</p>	Operate resource centre	<p><i>Institute</i></p> <p>ECSECC</p>
	Annual Statistics and State of Co-operatives Surveys	Create a database of all registered co-operatives in the province	Commission an annual State of Co-operatives in the Eastern Cape Survey	Manage service providers undertaking the study	<p>Publish an updated annual database and distribute in each District</p> <p>Publish the State of Co-operatives Report</p>	<p><i>Institute</i></p> <p>ECSECC</p>
	Dissemination, Mobilisation and Awareness Creation	<p>Plan information campaigns to raise consciousness of people about cooperatives</p> <p>Collect and analyse local practice supported by DEDEA</p>	<p>Hold campaigns on an ongoing basis</p> <p>Collect and analyse local practice supported by DEDEA</p>	<p>Hold campaigns on an ongoing basis</p> <p>Publish information materials and document local practice</p>	Hold campaigns on an ongoing basis	<p>Co-operatives</p> <p>Municipalities</p> <p><i>Institute</i></p> <p><b>dti, CIPRO</b></p>
	Knowledge Management Seminars	Compile papers about co-operatives and plan discussions	Hold ongoing discussions and produce papers	Hold ongoing discussions and produce papers	Hold ongoing discussions and produce papers	<i>Institute</i>

## 10.4 FINANCIAL YEAR 2010/2011 ACTION PLAN

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Establish Institutional Capacity for supporting co-operatives	Appoint all the staff of the Directorate	Ensure all staff of the Directorate are appointed	Ensure all staff have job profiles	Adopt and implement the business plan	Monitor the business plan implementation  Directorate Progress Reports	DEDEA
	Certificate and Diploma Courses on Co-operatives Development accredited Co-operatives Training Calendar developed	Develop and accredit Diploma, Certificate and Degree Courses  Ongoing training and support of Abakwezeli	Train and Capacitate Training Institutions in the EC about Co-operatives  Institutionalise the training programmes with training institutions  Ongoing training and support of Abakwezeli	Institutionalise Co-operatives Development within the school system in the EC  Ongoing training and support of Abakwezeli	Design a curriculum within the school system to teach scholars about co-operatives  Ongoing training and support of Abakwezeli	Dept of Education  WSU Fort Hare FET Colleges Schools  <i>Institute</i>
	3 Co-operatives Development Centres established	Standardise the formation of CDCs	Establish 1 more CDC	Establish 1 more CDC	Establish 1 more CDC	District and Local Municipalities
	4 Meetings of the Committee held Progress Reports of the Departmental support to co-ops	2 Departments Co-operatives Programmes launched	2 Departmental Programmes launched	2 Departmental Programmes launched	2 Departmental Programmes launched	EC Provincial Departments

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Develop Support Programmes for Co-operatives Development	Co-operatives Fund functioning No. of co-operatives funded	Operate fund according to plan	Operate fund according to plan	Operate fund according to plan	Operate fund according to plan	All Departments
	Training Institutions provide co-op training	FET Colleges trained and capacitated to provide training to co-operatives	Universities to provide training programmes on an ongoing basis to the general population of the EC	Incorporate the modules and programmes into the existing curricula	Launch the Training Programmes and Modules  Translate training programmes into isiXhosa	Dept of Education  Institutions of Higher Learning  <i>Institute</i>
	Monitoring reports of procurement to co-operatives	Monitoring surveys of procurement from co-operatives in the province	Monitoring surveys of procurement from co-operatives in the province	Monitoring surveys of procurement from co-operatives in the province	Monitoring surveys of procurement from co-operatives in the province	Provincial Treasury Provincial Departments Municipalities
	Youth Co-operatives Programme launched  Women Co-operatives Programme launched	Conduct a survey for the monitoring of Youth Participation in Co-operatives in the EC  Conduct a survey for the monitoring of Women Participation in Co-operatives in the EC	Document the learnings and statistics  Document the learnings and statistics	Conduct a survey for the monitoring of Youth Participation in Co-operatives in the EC  Conduct a survey for the monitoring of the Disabled Participation in Co-operatives in the EC	Conduct a survey for the monitoring of Youth Participation in Co-operatives in the EC  Document the learnings and statistics	PYC Women's Organisations  Disabled People's Organisations
Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Building and Independent Co-operative Movement	Co-operatives Housing Programme Launched	The Programme is handed over to the Dept of Housing	Dept of Housing to design financing methodologies for Housing Co-operatives	Draw lessons from the existing Housing Co-operatives in the East London	Monitor the implementation of this programme	Dept of Housing
	Agricultural Co-operatives Programme	The Programme is handed over to the	Stakeholders pronounce on how support to	Dept of Agriculture to design funding	Survey and identifying downstream	Dept of Agriculture

	Launched	Dept of Agriculture	Agricultural Co-operatives in the EC	methodologies for Agricultural Co-operatives	opportunities for agricultural co-operatives	
	Conferences, Summits and Study Tours	Arrange 1 Co-operatives Sector Study Tour internationally  Establish local and inter-provincial exchange programs	Arrange 1 Co-operatives Sector Study Tour internationally	Prepare a delegation of co-operatives to attend an international ICA General Assembly	Arrange 1 Co-operatives Sector Study Tour internationally	Co-operatives Sector Departments  <i>Institute</i>
	Provincial and district APEX	Quarterly meetings of provincial APEX and 2 district forums  Establish remaining district forums	Quarterly meetings of provincial APEX and district forums	Quarterly meetings of provincial APEX and district forums	Quarterly meetings of provincial APEX and district forums	DEDEA Coops Districts

Measurable Objective	Indicator	Activities				Partner(s)
		1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
Research, Knowledge & Database Management and Statistics	Ongoing Research Topics Commissioned on Co-operatives	Hold District Workshops to update registration status of all co-operatives in the province  Operate resource centre	Operate resource centre  Deepen research collaboration	Operate resource centre	Operate resource centre Publish findings	Institutions of Higher Learning  ECSECC  <i>Institute</i>
	Annual Statistics and State of Co-operatives Surveys	Operate a database of all registered co-operatives in the province	Conduct an annual State of Co-operatives in the Eastern Cape Survey	Manage service providers undertaking the study	Publish an updated annual database and distribute in each District  Publish the State of Co-operatives Report	Institutions of Higher Learning  ECSECC  <i>Institute</i>
	Dissemination, Mobilisation and Awareness Creation	Plan information campaigns to raise	Hold campaigns on an ongoing basis	Hold campaigns on an ongoing basis	Hold campaigns on an ongoing basis	Co-operatives

		consciousness of people about cooperatives				Municipalities <i>Institute</i> <b>dti</b> , CIPRO
	Knowledge Management Seminars	Compile papers about co-operatives and plan discussions	Hold ongoing discussions and produce papers	Hold ongoing discussions and produce papers	Hold ongoing discussions and produce papers	Institutions of Higher Learning