**PREAMBLE**

**1. WE**, SANACO together with the state, non-state sector organizations and cooperatives, meeting at the ICD from the 6th to 7th July 2018 in Polokwane at the University of Limpopo, under the theme “Sustainable Production and Services” to dialogue among all cooperative formations on issues and matters pertaining to their development efforts to build self-reliant and sustainable economies, recognize the importance of the partnership and collaboration to effectively advance the cooperative movement towards the achievement of the NDP goals to eliminate poverty and reduce inequalities;

**2. WE reaffirm** our commitment to 2020 Vision of the International Alliance of Cooperatives’ Blueprint which aims to strengthen the co-operative model and grow the global movement. The ambitious plan in this Blueprint is for the co-operative form of business by 2020 to become:

• The acknowledged leader in economic, social and environmental sustainability

• The model preferred by people and

• The fastest growing form of enterprise

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**3. WE acknowledge** that cooperatives are the preferred form of an enterprise with the capacity to make a significant contribution to the economic, social and cultural development of the poorest segments of the people of South Africa, particularly in rural and semi-urban areas, by empowering and enabling them to participate in development initiatives aimed at transforming local economy and promoting inclusive and sustainable economic growth, employment and decent work for all;

**4. WE recognize** the importance of cooperatives as a powerful economic and social force with the capacity contribute significantly to the achievement of the NDP goals of eliminating poverty and reducing inequalities and requiring a unique approach to promote their independence from the state to champion their own development and become self-reliant and sustainable entities;

**5. WE recall** the 2017 ICD colloquium on the qualitative role of cooperatives in value adding activities towards a cooperative economy in the following four thematic areas as the agenda for the 2018 ICD:

* Banking and financial services
* Manufacturing and industrialization
* Consumer Cooperatives and
* Agrarian issues and agro-processing

With the specific focus on the following:

* Business Model/Approach
* Infrastructure requirements
* Target province for piloting
* Identification of sector champions and partners
* Funding resources/model
* Target date for planning

With this declaration, **SANACO commits to the following resolutions:**

**6. Banking and financial services:**

**6.1. Business model / approach**

**SANACO supports** the registration of Primary Financial Services Cooperatives (PFSC) in all nine (9) provinces followed by clustering three provincial PFSCs into a secondary cooperatives culminating into the registration of three (3) Secondary Financial Services Cooperatives (SFSCs) which will be clustered into one (1) Tertiary Financial Services Cooperative (TFSC).

**SANACO supports** the proposed business and governance model of establishing an Interim Board comprising a maximum of 9 members per region including an Ex Officio from SANACO for reporting purposes; each region will be responsible for organizing its meetings and mobilization of membership of not less than 200 members per province.

**SANACO Board commits** to taking the responsibility of mandating regions to form Interim Committees to plan and work on mobilization.

**6.2. Infrastructure**

**SANACO commits** to supporting Regions to establish satellite offices across the country and to requesting local municipalities to make unused space in areas where there are no offices available

**SANACO to ensure** that Regional Committees educate small areas about the importance of having fully functional offices with appropriate equipment and staffto ensure compliance with applicable legislative and maintain credibility of the organization.

**SANACO commits** to engaging the Bank SETA to provide the required financial, technical and non-technical support to emerging regional offices

**6.3. Target province for piloting**

**SANACO tomonitor** progress in terms of mobilization of member in all Provinces and encourage those doing well to support other struggling regions

**6.4. Identification of sector champions and partners**

**SANACO acknowledges** the existence of diverse stakeholders and the importance of establishing partnerships. We will partner with the following;

* Cooperative Bank Development Agency (CBDA).
* BANK SETA.
* Digital Currency (BITCOIN) not for Trading but Mining.
* Small Enterprise Development Agency (SEDA).
* Small Enterprise Financial Agency (SEFA).
* Department of Economic Development (DED) Provincial.
* STOKVELS.
* Funeral Parlous.
* Burial Societies.
* STAKEHOLDERS of different industries in SANACO.

**6.5. Funding resources / model**

**SANACO recognizes** the need for fundraising through among other methods, members’ contribution and supports the once-off contribution by members which can be paid in five (5) installments (within 5 months)

**SANACO supports** the opening of a club Bank Account per region for effective management and deposit of contributions.

**6.6. Target date for planning**

SANACO supports the proposal that each regions’ Interim Board should identify their dates for planning not later that end of July 2018 to ensure that mobilization starts from the 1st August 2018 or after Planning Meetings. Date of Report Back – 31st October 2018.

**7. Manufacturing and industrialization**

**7.1. Business model/approach**

**SANACO supports** the implementation of the “Anchor-Based Strategy for Empowerment of Cooperatives” through which the significant purchasing power of anchor institutions will be channelled to generate business and market opportunities for cooperatives located in the communities where these institutions are based.

In order to ensure effective implementation of the Anchor-Based Strategy, **SANACO** to:

* Negotiate partnerships with anchor institutions (local schools) to channel their extensive purchasing power to generate the business and market opportunities for local cooperatives
* Negotiate partnerships with relevant key partners and stakeholders such as the Job Creation Trust (JCT), South African Council for Graduates in Cooperatives (SACGC), University of Pretoria (Mamelodi Campus Business Clinic) in terms of technical, business and development support to its cooperative members through, among others, incubation, mentoring and coaching.
* Ensure monitoring and evaluation of the impact of training and skills development initiatives implemented
* Coordinate research and development activities to ensure an enabling and supportive environment for economic empowerment of cooperatives through existence of appropriate, innovative and transformative systems, policies and programmes
* Facilitate the setting up of trading cooperatives under its banner to operate in community/township-based malls and other market offerings for sale of goods and services produced by its members
* Ensure that all school uniform produced by its members is of excellent quality and is appropriately branded with the SANACO logo
* Activate its local structures to actively lobby and advocate for cooperatives at the local and community levels
* Obtain information from the DSBD regarding the existence of any manufacturing Shared Infrastructure Facilities in their regions and keep records of cooperatives that benefited from these facilities
* Set up teams led by experts to support cooperatives to build and enhance their productive and operational capacities

**7.2. Infrastructure**

**SANACO noted** the need to create awareness of primary cooperatives regarding the benefits of secondary cooperation in terms of collective access to financial and non-financial technical support within a shared production facility where they can successful operate a viable production line from production to marketing;

**SANACO noted** the need to facilitate the acquisition of warehousing facilities to be shared by secondary clothing and textile cooperatives to improve their productive capacity and capabilities to penetrate the huge school uniform market;

**SANACO acknowledge** the need to commission a study to determine the existence of any Shared Infrastructure Facilities for textiles and clothing manufacturing and which cooperatives have already benefited per region

**7.3. Target province for piloting**

**SANACO** noted the criteria used by the Manufacturing Sector for identification of pilot sites, that:

* + Provinces targeted should be able to provide the required support for the successful implementation of the pilot projects
  + Availability of technical support from the non-state sector
  + Pilots to have both a rural and urban presence; and
  + Cooperatives identified must have the commitment to make it happen…a win-win situation.

**SANACO** noted and approved the three pilot sites recommended based on the determined criteria:

* + Two in Gauteng (Ekurhuleni and Mamelodi - University of Pretoria)
  + One in the Eastern Cape, OR Tambo District, Ngquza Hills Local Municipality

**7.4. Identification of sector champions and partners**

**SANACO** to facilitate the identification of sector champions from its local structures, relevant participating departments and local municipalities and non-state sector partners

**7.5. Funding resources/model**

**SANACO to** facilitate the review and development of an appropriate funding model that is not limited to provision of equipment but accommodates provision of adequate working capital that meets the unique capacity needs of each cooperative

**SANACO** to facilitate an audit of equipment provided to cooperatives and make the necessary recommendations and proposals to funding state and non-state sector institutions and organizations.

**7.6. Target date for planning**

SANACO to support Manufacturing Sector Cooperatives to organize and establish a coordinating committee to ensure effective and coordinated planning for implementation of pilot projects within the sector in preparation for the 2019 ICD

**8. Consumer cooperatives**

**8.1. Business model**

**SANACO** noted and supported the model of grouping primary cooperatives to establish secondary cooperatives and for secondary cooperatives to establish a tertiary cooperative.

**SANACO** noted and supported the opening of satellite offices at provincial, district and local level and the location of Head office in Pretoria at No. 380 Bosman Street.

**8.2. Infrastructure**

**SANACO** noted and supported the proposal to use unused buildings owned by municipalities with an option to rent or to rent buildings from private sectors and/or buy land and build our own infrastructure.

**8.3. Target provinces for piloting**

SANACO noted the 8 provinces targeted, however the following 5 provinces are prioritized:

* Mpumalanga
* Limpopo
* Gauteng
* KZN
* Eastern Cape

**8.4. Identification of partners**

SANACO noted the partners identified by the Consumer Cooperative Sector:

* Private sectors
* Government from national, provincial, district and local level
* SANACO national
* Qabso and Associates Ones Stop Business Co-operative
* MP SANACO CFI
* Masibaningi Consumer Cooperative

**8.5. Funding**

SANACO noted and supported the Consumer Cooperative’s fund raising strategy:

* Members contribution fee of R500
* Members monthly subscription R150
* Cooperative Incentive Scheme (CIS) R350 000.00 grant
* Gauteng Bophela
* SEDA
* IDC
* NEF
* SEFA
* MEGA etc.
* The total required funding is R26 262 000.00

**8.6. Target date for planning**

**SANACO** noted the following target dates set up by the Consumer Cooperatives:

* The second day of the first SANACO National Board meeting after the 2018 ICD. (SANACO Offices).
* We are planning to meet at least once per month for the first five (5) months.
* We will communicate via What’s App and SMS`s.
* The task team will also visit provinces once a month lead by Chris Manda.

**8.7. Governance**

**SANACO noted and supported the Consumer Cooperative’s governance structure and systems:**

* The national office will deploy one top executive officer to give guidance of formation of national and provincial consumer cooperative.
* Each province will deploy five members to advice Mr. C S Manda.
* The total number of the task team will be 45 members except Chris Manda and one national deplore.
* The 45 members will elect 9 Board of directors of national consumer cooperative, then the national office will also deploy two executive officers and Mr. C S Manda to be part of the Board. (Total of 12 Board of Directors) for the first five years.

**9. Agriculture**

**SANACO** noted and supported the following proposals made by the Agriculture Sector:

**9.1. Business Model/Approach**

SANACO to own the entire value chain of Poultry as follows:

* SANACO to Produce Eggs from Grand Parents and incubate them to produce chicks
* Chicks delivered to Individual Cooperatives as  Growers
* SANACO to identify farms that will plant crops to manufacture feeds for Poultry
* SANACO manufactures Feeds and distribute to Growers

**9.2. Infrastructure requirements**

* SANACO to establish an abattoir for slaughtering and packaging
* Cooperatives to operate Outlets
* Members can have shares in the value chain

**9.3. Target province for piloting**

Limpopo to be a target province

**9.4. Identification of sector champions and partners**

ARC to provide expertise

**9.5. Funding resources/model**

List of all stakeholders to be compiled

**9.6. Target date for planning**

* End October 2018 is the target date for planning