



**CO-OPERATIVE BANKS DEVELOPMENT AGENCY**

# **Co-operative Banks Development Agency**

**Annual Performance Plan**

**2024/2025**

**Date: 15 February 2024**

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## Accounting Authority Statement

In 2012 Government developed and published the National Development Plan (NDP) with the aim of eliminating poverty, reducing inequality, and achieving full employment, decent work, and a sustainable livelihood for all. The medium-term strategic framework (MTSF) 2019-2024 is the manifestation of the plan for the NDP vision which acknowledges financial inclusion as an important tool that will contribute toward the realisation of its goals. The Co-operative Banks Development Agency (CBDA) strategy, through the support to the co-operative banking sector would contribute to the NDP target of 90% of the population achieving banked status by 2030.

The business case on how the entities will merge into one new Entity has been approved. The new Entity's draft business model is underway as it will inform on how the operations will change, and where the CBDA or co-operative banking model will fit in. The current decision is that CBDA conducts business as usual. Overall, the merger is viewed as a positive move as it will serve as a one stop shop for the co-operative sector (financial and non-financial) including Small Medium Macro Enterprises (SMMEs) in South Africa (SA) under the auspice of the Department of Small Business Development, which aims to improve service delivery.

The strategy of the CBDA is to drive the co-operative banking sector's growth and sustainability, contributing towards a transformed financial services sector in terms of ownership, meaningful participation in the mainstream co-operative banking sector, access to finance by Small, Micro and Medium Enterprises (SMMEs), and financial inclusion to the underserved communities, through the provision of accessible, reliable, and simplified co-operative retail banking services. This will be CBDA's contribution to the MTSF priority 2 on Economic Transformation and Job Creation.

The strategic focus over the medium term took a new approach in implementing its objectives which focusses on expanding the footprint of sustainable, professionalised, modernised, and technology enabled Co-operative Banking Institutions (CBIs), thereby growing the co-operative banking institutions (CBIs) sector membership base, member deposits and assets through training initiatives. Technology is still a challenge within the co-operative banking space as it need funding which the sector does not have at this stage.

National Small Business Amendment Bill was tabled before Parliament and referred to the Select Committee on Trade and Industry, Economic Development, Small Business Development, Tourism, Employment and Labour of the National Council of Provinces on 6 December 2023. A new merger date has not been announced yet as it will be determined by the legislative process.

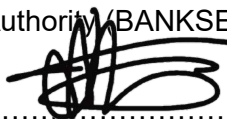
In particular, the Annual Performance Plan (APP) for the 2023/24 financial year reflected on how to address the economic reform in certain areas and how to incorporate the targets achieved into the Annual Performance Plan 2024/2025 especially, in areas where the co-operative banking sector was impacted by the covid 19 pandemic. The drive is to implement co-operative development efforts at local level and to capacitate the broader co-operative banking sector and SMME sector in South Africa. Some of these targets are still in progress as they are influenced by the implementation of the “Co-operative Banking Sector Strategy”. Some traction could be seen in terms of growth by a newly established organised groups who submitted their application to be registered as a cooperative banking institutions to the Prudential Authority (PA).

The goal of economic reconstruction of the sector is to still become an intermediary on economic development to serve our communities to produce, support, encourage and enhance development initiatives and programmes within communities through multiple, yet integrated solutions to reform societal breakdown through lower cost accessible banking.

Furthermore, the post-merger activities between CBDA/SEDA/**sefa** into a new entity should create a sector that strives to be easily accessible, efficient and have a simplified approach in redressing the slow growing SMME’s and co-operative sectors.

As the Chairperson of the CBDA Board, I am confident and committed to ensuring the implementation of the co-operative banking sector strategy and mandate of the CBDA. I will support the management team in undertaking the task of reconfiguring the Agency to achieve an efficient financial and operational model which drives the co-operative banking sector’s growth and sustainability over the five-year period.

I would like to take this opportunity to acknowledge the assistance provided by the National Treasury, Department of Planning, Monitoring and Evaluation, my fellow board members and CBDA management and staff in providing efficiency within the Agency. Furthermore, I would like to extend my sincere gratitude to other government departments and agencies that have assisted the CBDA in achieving its mandate over the years, namely the provincial Departments of Economic Development (DEDs) and the Banking Sector Education Training Authority (BANKSETA) and the Small Enterprise Finance Agency (**sefa**).



Accounting Authority

**Mr Luyanda Ntuane**

CBDA Board Chairperson

## Accounting Officer Statement

In preceding financial periods, the CBDA's efforts were primarily directed towards supporting, promoting, and fostering the growth of CBIs (Co-operative Banking Institutions) through various initiatives, including training provisions, member education workshops, information dissemination sessions, development of management tools, research on Information Technology (IT) banking systems utilized by CBIs, and offering guidance on available systems in the market.

Looking ahead, the strategic focus for the forthcoming planning period will centre on fostering collaboration and partnerships with key stakeholders to devise a fresh approach in tackling historical challenges encountered in supporting the cooperative banking sector. This entails implementing institutional development programs, enhancing organisational capabilities of CBIs, and bolstering operational efficiency through innovative technological interventions and solutions.

Underpinning this strategy is the establishment of a "National Secondary Co-operative Bank" through an elected National Secondary Cooperative Bank Board, aimed at supporting cooperative banking institutions nationwide, in conjunction with the South African Cooperative Banking Association (SACOBA). This initiative seeks to expand ownership and membership, particularly among the unbanked and/or under-banked population, while diversifying the financial sector by offering alternative banking services.

However, fiscal constraints, manifested by a R5 million reduction for the 2024/25 fiscal year, pose challenges. This reduction may necessitate existing staff members undertaking additional responsibilities due to unfilled vacancies. Some of the targets have been adjusted accordingly. Despite these challenges, the CBDA, in collaboration with stakeholders, will endeavour to secure supplementary funding and optimise services to sustain its core activities over the next two years, potentially leveraging virtual training and off-site assessments.



Accounting Officer

**Mr Paul Rossouw**

CBDA Acting Managing Director

## Official Sign-Off

It is hereby certified that this Annual Performance Plan:


- Was developed by the management of the Co-operative Banks Development Agency under the guidance of the Ministry of Finance.
- Considers all the relevant policies, legislation, and other mandates for which the Co-operative Banks Development Agency is responsible.
- Accurately reflects the impact, outcomes, and outputs which the Co-operative Banks Development Agency will endeavour to achieve over the period 2024/2025.

### Programme 1 Acting Managing Director: Administration

Mr Paul Rossouw

Signature: 

**Programme 2**  
**Manager: Capacity Building**  
Ms Nomadelo Sauli

Signature: 


**Business Support Manager**  
Ms Catherine Whitley

Signature: 

**Financial Manager**  
Ms Lorna Padayachee

Signature: 

**Human Resource Specialist**  
Ms Ayanda Radebe

Signature: 

**Approved by:**

Mr Luyanda Ntuane

Signature: 

**Chairperson**  
**Accounting Authority**

## Part A: Our Mandate

To promote and advance the social and economic welfare of all South Africans by enhancing access to banking services under sustainable conditions.

The CBDA will contribute towards the transformation of the banking sector, by creating diversity through co-operative banking, thereby promoting financial inclusion, while ensuring access to capital by SMMEs and stimulating the economy at local level.

### 1. Vision

To facilitate financial inclusion and economic transformation while ensuring a sustainable co-operative banking sector that empowers communities.

### 2. Mission

To create an enabling environment for the co-operative banking sector through innovative solutions, institutional strengthening, funding, and technological interventions.

### 3. Values

- a) **Passion:** to be driven and dedicated by a sense of urgency to encourage full participation and a spirit of celebration.
- b) **Integrity:** to be accountable and transparent.
- c) **Mutual respect:** to be trustworthy, selfless, willing to serve and compassionate with shared values and a respect for decisions.
- d) **Commitment to solidarity and co-operation:** to be committed to teamwork which includes being supportive, having a common purpose, sharing information, and taking responsibility.
- e) **Excellence:** to be value-adding, diligent, professional, punctual, and competent. Including giving attention to detail and having a commitment to knowledge and learning; and
- f) **Confidentiality:** in dealings with all stakeholders.

#### **4. CBDA MANDATE AND FUNCTIONS TO CONTINUE IN THE MERGED ENTITY**

The CBDA's policy mandates are embodied in the Co-operative Banks Act (No 40 of 2007). Co-operative banking institutions (CBIs) will continue to contribute towards (i) government's financial inclusion policy priority and (ii) creating diversity and thereby promoting competition within the banking sector in the merged entity.

The preamble of the draft amendments to the National Small Enterprises Act (NSEA) states: "To amend the National Small Enterprise Act, 1996, to provide for the establishment of the Small Business Development Agency; to make provision for the incorporation of the Small Enterprise Development Agency, the Co-operative Banks Development Agency and the Small Enterprise Finance Agency into the Small Business Development Agency; to provide for the functioning of the Small Business Development Agency which is tasked with the provision of financial and non-financial support services to small enterprises and to promote the development of sustainable and responsible cooperative banking; to provide for the necessary transitional arrangements to facilitate the incorporation; to enable an equitable trading environment for small enterprises". It should be noted that small enterprises include CBIs.

The pronouncement and engagements on the merger between CBDA/SEDA/**sefa** into a new entity by 31 December 2023 is still on-going. The projected timeline for the finalisation of the merger is unlikely due to the delay in legislative process and the elections in 2024. The aim of the merger is to create a sector that strives to be accessible, efficient and have a simplified approach in redressing the slow growing SMME's and cooperative sector.

The Amalgamation Committee currently acts a "Shadow Board" for the merged entity, and 3 members of the CBDA Board currently serve on this Committee. The interests of the CBDA and its current mandate, functions and operations in the merged entity are therefor likely to be protected and will be included in the Strategic-and Performance Plans of the merged entity. CBDA would be reported as a going concern until the applicable Acts have been amended and approved.

The CBDA will be "transferred" as a specialised unit (Cooperative Banking Support Services) to the merged entity and the Capacity Building Unit (CBU) will continue with business as usual in the merged entity.



The functions and operations to achieve CBDAs strategic objectives will continue in the merged entity without any hindrance as this is enshrined in the amendments to the National Small Enterprise Act (NSEA).

## 5. Updates to the relevant legislative and policy mandates

LEGISLATION /POLICY	PURPOSE OF ACT/POLICY	CBDA ALIGNMENT
<b>Co-operative Banks Act, 40 (2007)</b>	To promote and advance the social and economic welfare of all South Africans by enhancing access to banking services under sustainable conditions.	<p>Chapter IX, Section 54 of the Act, legally established the CBDA and outlined its mandate aligned to government's programme of transforming the economy by reducing high levels of concentration in certain sectors that create barriers to economic expansion, inclusion and participation.</p> <p>The CBDA will contribute towards the transformation of the banking sector by creating diversity through co-operative banking, thereby promoting financial inclusion while ensuring access to capital by SMMEs and stimulating the economy at local level.</p>
<b>Financial Sector Regulation Act, 9 (2017)</b>	To promote and enhance the safety and stability of financial institutions	<p>The Act establishes the Prudential Authority (PA) (Chapter 3), and the Financial Sector Conduct Authority (Chapter 4) which regulates co-operative financial institutions (CFIs) and co-operative banks and whose mandates include supporting and promoting financial inclusion.</p> <p>CBDA has a Memorandum of Understanding (MoU) with the PA. The purpose of the MoU is to promote collaboration between the two institutions to ensure there is an enabling environment that protects members' deposits for</p>

		<p>those wanting to enter the co-operative banking sector.</p> <p>The CBDA and PA are in the process of extending the MOU to include the FSCA.</p>
<b>LEGISLATION /POLICY</b>	<b>PURPOSE OF ACT/POLICY</b>	<b>CBDA ALIGNMENT</b>
<b>Medium Term Strategic Framework 2019 - 2024</b>	The MTSF 2019 – 2024 is the manifestation of the plan for the NDP Vision 2030. It lays out programmes on how to implement Vision 2030 and the seven electoral priorities adopted by Government.	<p>CBDA’s mandate and vision is aligned to the MTSF’s Priority 2, Economic transformation and job creation whose outcome is aligned to reducing concentration and monopolies and expanded small business sector. The intervention seeks to increase the number of competitive small businesses with a focus on township economies and rural development increasing the number of co-operatives supported.</p> <p>The intervention further seeks to strengthen development finance towards SMME development, improving access to affordable finance for SMMEs and co-operatives.</p>

## **Part B: Our Strategic Focus**

The CBDA’s vision is to facilitate financial inclusion and economic transformation while ensuring a sustainable co-operative banking sector that empowers communities. Member based institutions promote inclusion by transformation through ownership and control.

The strategic focus for the next planning period will focus on collaboration and partnerships across all stakeholders to assist in the seamless implementation of the following:

- (a) ***Institutional development and organisational strengthening*** of existing CBIs and new entrants into the banking sector, through
- i. Facilitating business model development supported by business case, risk management and a shared service approach.
  - ii. Organizational development through informal and formal training, mentorship and coaching.
  - iii. Through partnerships with industry leaders like commercial banks, Development Finance Institutions (DFIs), other state agencies, financial technologies (Fintech's) etc. will assist co-operative banks in offering their members a more diverse range of product and services and assist with financial inclusion.
  - iv. Leveraging strategic partnerships with stakeholders like Sector Education and Training Authorities (SETAs), South African Institute of Chartered Accountants (SAICA), Institute of Bankers (IoB), Institute of Internal Auditors (IIA), Banking Association South Africa (BASA). This will improve governance and management which in turn will improve trust and sustainability of the CBI.
- (b) ***Enhancing operational efficiency through innovative solutions and technological interventions.***

The Capacity Building Unit (CBU) continues to adopt a hybrid model in terms of their service offerings, meaning, the Unit, employs both virtual and onsite interventions. The Unit is still going to pursue the automation of its service offerings as mandated by the board, of-course, pending cost implications for such a project.

The CBDA automation and digitisation project will be implemented subject to subject to pre-conditions such as systems availability at the new entity and transferability of systems developed by the CBDA. A consolidated plan would be developed by the relevant workstream to address the desired result such as:

- a) Interactive online presence for the benefit of both the CBIs and the CBDA
- b) CBDA professionally developed and packaged suite of services, that is, service offering application forms, training materials, coop-bank-in-a-box tool, webinars, pre-recorded videos, online interactive training sessions etc.
- c) E-learning portal, where CBIs can download training modules that they want to do at a self-paced rate.
- d) CBDA tracking traffic to the website, usage of training materials, training programmes conducted, progress on self-paced programmes.

- e) CBIs uploading coop-bank-in-a-box tool.
  - f) CBIs uploading their completed monitoring tools to the Technical Analyst's folder responsible for their CFI.
  - g) CBDA uploading technical analysis reports for their respective CBIs in their portfolios.
- (c) ***Expanding footprint of sustainable CBIs***, civil society organisations like NGOs and CBOs will take lead and be the implementing agents of the programmes and tools designed to ensure the growth and sustainability of the co-operative banking sector, through a holistic support programme. It will help to increase the number of owner/members serving the unbanked potential in the market and offer an alternative to stockholder banks thereby diversifying the financial sector.

The CBDA has reconfigure the organogram to operate two distinct sections consisting of a business transformation unit doing business modelling and addressing sustainability issues facing start up and registered CBIs as well as an organisational development unit which will focus on training, training the trainer, accreditation, and mentorship.

### CBDA Organogram



Administration	Funded 2024-2025	Unfunded 2024-2025	Unfunded 2025-2026
Stakeholder and Marketing Director		1	1
Business Corporate Manager	1		
Board Secretary		1	1
Financial Manager	1		
Human Resource Specialist	1		
Finance Clerk	1		
Human Resource Clerk	1		
Brand and Marketing: Specialist		1	1

Capacity Building		Funded 2024-2025	Unfunded 2024-2025	Unfunded 2025-2026
Director		1		
Senior Technical Analyst		2		
Analyst		6		
Junior Analyst		3		
Trainer			1	1

## **6. Situational Analysis**

### **6.1. Internal Environment Analysis**

The CBDA is regarded as going concern until the merger takes effect. CBDA as an entity is not adequately funded or resourced to achieve its legislative mandate resulting in it not being able to provide the support services it would have intended to provide in the following areas:

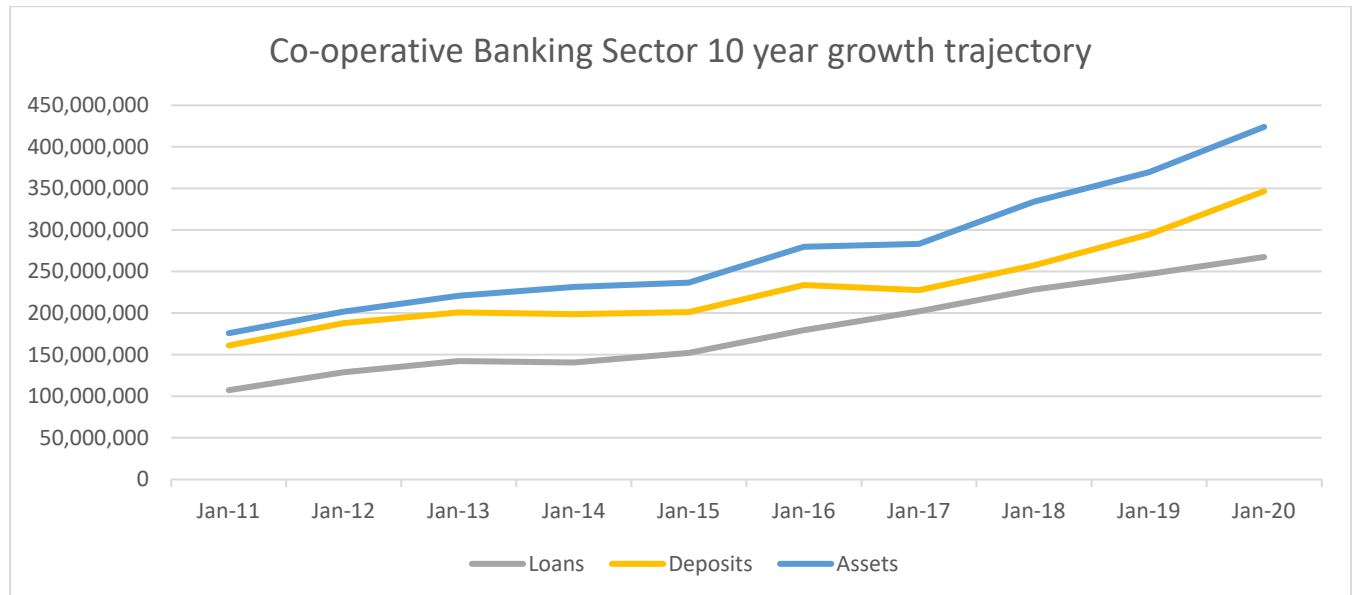
- (a) funding of the CBIs through products such as start-up capital and a stabilisation fund to assist CBIs in financial distress,
- (b) provision of appropriate capacity building interventions, including but not limited to the implementation of an incubation programme for new players in the banking sector, and
- (c) creating an enabling environment for the CBIs to ensure parity with the commercial banks in terms of technology, infrastructure, and access to the NPS.
- (d) Assist in the funding of a Cooperative Banking System.
- (e) Financial and non-financial support of the establishment of a secondary co-operative bank.

### **6.2. Major Risk Identified**

The major risk identified in relation to the merger was the CBDA's mandate, however, it is likely that the mandate will be carried over to the merged entity and that the CBU will be established as a specialised unit in the new entity. There is relative certainty that the new entity will be able to provide financial cooperatives with financial and non-financial support.

The prudential standards have not yet been adequately revised to enable start-ups to receive financial and non-financial support to the extent needed to become viable and sustainable immediately after being registered, including the limits placed on ownership of fixed assets. The merger will be beneficial to the sector, provided that the regional footprint of the merged entity is effectively used to provide increased assistance and that technology challenges facing the sector are adequately addressed, using the resources that would become available after

the merger. The merger process should not negatively impact the CBDA’s normal core operations but will rather strengthen it through collective partnership with SEDA and **sefa** on identified activities.



### 6.3. External Environment Analysis

This analysis of the sector reflects why the objective of rapid growth and sustainability is difficult to achieve due to the following:

1. The CBIs face’ challenges in competing with major banking institutions and ever-increasing Fintech’s, who are capable of servicing consumers down market. The CBI model is a Savings and Credit Model and there are a significant number of lending institutions competing with CBIs lending offerings. Many commercial banks are now developing products that are like the CBI products e.g., Stokvel savings products that compete with CBIs. For CBIs to compete, digitisation will be key.

However, in a survey of members’<sup>1</sup> responds indicated that a key element of a CBI is that the financial institution is owned by its members. The benefits of ownership may vary according to what each CBI offers to its members. However, the commonality is

<sup>1</sup> World Bank Group 2022, Co-operative Banking Sector Strategy, Report No: AUS0002080

that members are the owners of the institution, which are not available in other business forms.

2. Governance issues in the sector are undermining basic trust in the sector. This is exacerbated by the lack of professional management in the sector. Governance issues include accountability to membership, adequate risk management and compliance with the NCR, FICA and prudential and market conduct regulations.
3. The sector is undercapitalised in terms of funding, especially during the start-up phase, which translates to an inability to modernise and leverage technology to its advantage.
4. Institutional support (government, association, and industry bodies) for the sector is fragmented. There are several organisations (SEDA, **sefa**, etc) that provide support services in the country for either the same sector or different sectors. By working together, duplication of service offering could be prevented. By streamlining interventions there would be a reduction in fragmentation, for example, a specific DED may have initiatives in this sector which at times duplicate the work done by CBDA.

#### 6.4. SWOT Analysis

CBDA has become a significant participant in the co-operative banking sector with exclusive knowledge gained over the years. This advantage will provide the sector with skills and insight into how to attract members to grow the sector, while achieving financial inclusion and economic transformation.

Planned Management Interventions	
1. Focus on improving existing basic and intermediate banking services – especially the issuance of good loans. (CFIs/CBs)	2. Ensure CBDA keeps a strong focus on the training needs for the sector, its boards, and committees, facilitating access to funding and enabling implementation of these strategies (CBDA & Sector).
3. To grow core deposits, make savings more accessible by eliminating withdrawal notifications and expand channels/hours. (CFIs/CBs)	4. Seek government and development partner support to hire staff and register second-tier co-operative bank. (Sector & Development. Partners)



INTERNAL STRENGTHS	INTERNAL WEAKNESSES
<ol style="list-style-type: none"> <li>1. Established qualified and committed staff in both capacity building and information technology.</li> <li>2. Strong relations with CBIs and other sector stakeholders</li> <li>3. In-depth understanding of the financial inclusion component of the economy.</li> <li>4. Good relationships with the PA and FSCA.</li> </ol>	<ol style="list-style-type: none"> <li>1. Funding constraints do not address the needs of the CBDA in servicing the sector as intended by the legislation.</li> <li>2. Limited success in the adoption of a banking system and innovative products by CBIs</li> <li>3. Lack of understanding of the CBDA mandate by targeted client groups and other stakeholders. The CBDA is in the process to consider the appointment of a Marketing Director on a contractual basis to assist in aggressively marketing the cooperative sector within the South African Market, pending the merger.</li> <li>4. Through the developed Cooperative Sector Strategy Paper by the World Bank / The Cooperative Sector and the CBDA, the focus is to drive the pillars identified as well as enablers. <ol style="list-style-type: none"> <li>4.1. Pillar 1: Value Added Products and Systems</li> <li>4.2. Pillar 2: Robust Sources of Funding</li> <li>4.3. Pillar 3: Digital Delivery Channel <ul style="list-style-type: none"> <li>• Enabler 1: Second Tier Co-operative Bank for Scale</li> <li>• Enabler 2: Access to the Financial Infrastructure</li> <li>• Enabler 3: Support Organizations for Advocacy and Training</li> <li>• Enabler 4: Tiered Licensing &amp; Proportional Supervision</li> </ul> </li> </ol> </li> </ol>

EXTERNAL OPPORTUNITIES	EXTERNAL THREATS
<ol style="list-style-type: none"> <li>1. Largely untapped rural, township, youth, and agricultural markets.</li> <li>2. Opportunity for CBIs to be financial intermediaries for small and medium enterprises (SMEs) and Co-operatives.</li> <li>3. Deposit insurance providing confidence for members.</li> <li>4. National, provincial, and local government commitment to co-operative development in expanding financial inclusion and ownership.</li> <li>5. The merger between CBDA/SEDA (Small Enterprise Development Agency / <b>sefa</b> (Small Enterprise Finance Agency) that should enlarge the footprint of co-operative banking assistance.</li> </ol>	<ol style="list-style-type: none"> <li>1. The sustainability of co-op banks and CBIs business model and their ability to sustain themselves and meet member's needs.</li> <li>2. Reputational damage to the CBDA due to failed CBIs.</li> <li>3. High attrition rate.</li> <li>4. Lack of a national/secondary Co-Op bank.</li> <li>5. Competition from other financial institutions and non-bank retailers e.g., Shoprite.</li> <li>6. CFIs currently excluded from the proposed National Deposit Insurance scheme.</li> </ol>

## Part C: Measuring Our Performance

### 7. Institutional Programme Performance Information

#### 7.1. Programme 1: Administration

**Purpose:** To establish strategic leadership; administrative support and financial management capabilities.

Outcomes, Outputs, Performance Indicators and Targets			Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
Outcome	Outputs	Output Indicators	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Increase access to financial services by communities to ensure economic transformation	Co-operative banking sector known and recognised.	7.1.1. Number of outreach and education activities about CBI model to groups and institutions.	26	33	13	10	10	10	10
		7.1.2. Number of communication activities and publications.	6	5	5	5	5	5	5
	Leverage of products and services offered by partners and stakeholders through collaborations and agreements.	7.1.3. Number of partners and stakeholder relationships.	8	11	29	8	8	8	8

**Outcomes, Outputs, Performance Indicators and Targets**

			Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
Outcome	Outputs	Output Indicators	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Fiscal discipline, sound governance and compliance with the regulatory framework,	Sound and compliant financial internal controls, financial management and reporting services.	7.1.4. Clean audit opinion	Qualified opinion (2019/20)	Unqualified audit opinion (2020/21)	Unqualified audit opinion (2021/22)	Unqualified audit opinion with 25% fewer findings than 2021/22 on financial performance information	Clean audit opinion	Clean audit opinion	Clean audit opinion
	Maintain a compliant supply chain management process.	7.1.5. Percentage of valid invoices paid within 30 days.	76%	100%	100%	100% of valid invoices paid within 30 days	100%	100%	100%

## Indicators, Annual and Quarterly Targets

### Strategy

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
7.1.1.1 Number of outreach and education activities about CBI model to groups and institutions.	10	3	2	3	2
7.1.2.1 Number of communication activities and publications.	5	2	1	1	1
7.1.3.1 Number of partners and stakeholder relationships.	8	2	2	2	2

### Finance and Supply Chain Management

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
7.1.4.1 Clean audit opinion	Clean Audit Opinion	-	Clean audit opinion.	-	-
7.1.5.1 Percentage of valid invoices paid within 30 days.	100%	100%	100%	100%	100%

## Explanation of planned performance over the medium-term period

The strategic outputs aim to achieve the following:

1. Awareness and information on the co-operative banking model as an alternative banking to the most vulnerable people who are not currently involved in transactional banking.
2. Collaboration and partnerships with stakeholders and partners would be an opportunity to provide greater impact to service delivery, preventing working in silos and duplication of services by leveraging of each other's products and services. CBDA would target provincial Department of Economic Development (DED's), Sector Education and Training Authorities (SETAs), South African Institute of Chartered Accountants (SAICA), Institute of Bankers (IoB), Institute of Internal Auditors (IIA), Banking Association South Africa (BASA) just to name a few.
3. The merger with Small Enterprise Financing Agency (**sefa**) and Small Enterprise Development Agency (SEDA) would result in close working relations to ensure the transition of services and products are effectively and efficiently provided to the cooperative sector.
4. Communication activities and publications would keep stakeholders, partners, and the co-operative banking sector abreast of new developments, services offered and the co-operative banking model value offering.
5. The sector developed and published the National Cooperative Banking Sector Strategy and Pillar 1 is being implemented. This entails establishing a National Secondary Co-operative Bank (NSCB) as an alternative to commercial banks and bringing more competition to the retail and SMME sectors. The strategy document furthermore talks to what will contribute inclusive growth and efficiently servicing SMMEs and cooperatives in township and rural economies through the establishment of a National Secondary Co-operative Bank (NSCB).
  - 5.1. Overall, an NSCB should lower the costs of banking for consumers and underserved groups in the economy. In reality, there are some pros and cons to achieve the establishment of an NSCB, as detailed below.

PROS	CONS
<ul style="list-style-type: none"> <li>• Is the most financially efficient approach and a single brand.</li> <li>• Could provide wide economic benefits and faster member growth.</li> <li>• Would provide for economies of scale in the co-operative financial sector.</li> <li>• May be able to attract foreign investment for growth.</li> </ul>	<ul style="list-style-type: none"> <li>• Difficult to achieve in the next 5-10 years as there are a limited number of successful examples of greenfield national cooperative banks.</li> <li>• Could encounter significant resistance from banks, credit providers and existing CFIs.</li> <li>• Requires significant funding from foreign or domestic investors or a government that is already cash strapped.</li> <li>• High-risk strategy to compete head-to-head with well-established and well-funded banks.</li> </ul>

5.2. The aim is also for it to address the concerns of a possible interim deposit insurance fund for CBIs/CFIs and to provide digitisation support. This institution is likely to attract more liquidity and provide more integrated services such as standardised processes, risk management and a footprint in the South African market space. The business model for the secondary bank is being developed.

5.3. Provide accountability and transparency to the stakeholders, clients, and government through audit reports.

The above mentioned will contribute toward the strategic outcomes of increasing the number of memberships and assets of sustainable financial co-operative institutions within communities who have access to financial services, which would result in economic transformation through financial inclusion.

## Programme resource consideration

Output Indicators	Estimated expenditure	Medium term expenditure estimate		
	2023/24	2024/25	2025/26	2026/27
Number of outreach and education activities about CBI model to groups and institutions.	244,305	-	-	-
Number Of communication activities and publications.	155,600	192,000	197,760	203,693
Number of partners and stakeholder relationships.	58,400	327,782	337,615	347,744
Unqualified audit opinion	3,899,273	4,016,915	4,275,803	4,519,358
Percentage of valid invoices paid within 30 days.	200,000	250,000	257,500	265,225
	<b>4,557,578</b>	<b>4,786,697</b>	<b>5,068,679</b>	<b>5,336,019</b>

Economic classification				
Compensation	5,163,968	5,652,833	6,048,621	6,472,124
Annual license	10,000	12,000	12,360	12,731
Bank charges	25,000	25,000	25,750	26,523
Communication	36,000	36,000	37,080	38,192
Consultants	1,470,336	-	-	-
Depreciation	150,000	100,000	103,000	106,090
Lease payments	20,000	40,000	41,200	42,436
Legal cost	500,000	100,000	103,000	106,090
Printing and Stationery	20,000	12,000	12,360	12,731
Human Resource Management	100,000	81,500	83,945	86,463
Staff welfare	10,500	11,000	11,330	11,670
Subscription	5,000	5,000	5,150	5,305
Training and staff development	200,000	100,000	103,000	106,090
Rental of office space	1,500,000	1,200,000	1,236,000	1,273,080
Rental of furniture	310,000	310,000	319,300	328,879
	<b>9,520,804</b>	<b>7,685,333</b>	<b>8,142,096</b>	<b>8,628,403</b>

Capital assets				
Tangible and intangible assets	-	150,000	111,000	-
	-	150,000	111,000	12,000

<b>Total</b>	<b>14,078,382</b>	<b>12,622,030</b>	<b>13,321,775</b>	<b>13,976,422</b>
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## Narrative

Increase in cost for indicator “*number of partners and stakeholder relationships*” relates to facilitating the implementation of the Co-operative Banking Strategy through the working group activities. These activities are vital for the sector to engage, collaborate, share and communicate to ensure the sector grow and the has an impact in the economy.

For a small entity, CBDA needs to ensure compliance which incurs cost of 32% (R4 million) for audits, governance meetings and sourcing consultations to address the limited capacity to achieve an unqualified audit opinion.



Compensation budget of 45% comprising of six (6) filled positions to render services towards governance, finance, procurement, and administration. National Treasury provide in kind service (non-cash item) due to the limited resources available which make up 29% of the budget amounting to R3,6 million. These services provide entail office space, parking facilities, internal audit, enterprise risk management, legal, supply chain management, finance, information technology (IT) and cleaning.

Computer equipment purchased in 2021 would have reach it useful life in the 2023/24 financial year and would need to be replaced amounting to 1% (R150 000) of the budget.

## 7.2. Programme 2: Capacity Building

The key measuring outcomes as per the approved Strategic Plan 2020 to 2025<sup>2</sup> are as follows:

Outcome	Outcome indicator	Baseline	Five-year target	Status as at February 2022	Status as at February 2023	Progress towards 5-year target
Facilitate increased access to financial services by communities to ensure economic transformation	Increase in cooperative banking membership	27 490 (Feb 2019)	100% increase to 54 980	29 200	30 924	Minus 24 056 members
	Percentage increase in members' deposits	R294,4 million (Feb 2019)	50% increase to R441,6 million	R 468 million	R 515 million	Plus R73,4 million
	Number of registered CBIs by Prudential Authority	26 (Feb 2019)	30	29	28	Minus 2 institutions

The shortfall of 24 056 members can be attributed to, amongst other things, the adverse economic conditions during and following the Covid restrictions, non-relaxation of prudential requirements, lack of sufficient progress towards a banking platform and non-provision of competitive banking products such as card facilities. In addition to the CBDA's performance targets as set out below, increased membership should be achieved following the expected increased involvement from the sector through the establishment of the secondary cooperative bank and SACOBA.

<sup>2</sup> Page 21 of the approved Strategic Plan, as amended by the Annexure at the end of this 2024-2025 Annual Performance Plan. The Prudential Authority is the source of membership, deposits, and number of registered CBIs.

These key measuring outcomes as per the approved Strategic Plan 2020 to 2025 have been supplemented in the annual performance plans by the number of training programmes conducted, the number of direct technical assistance interventions provided, the number of monitoring interventions conducted, and the percentage of organised groups supported.

**Purpose:** To provide institutional development and organisational strengthening interventions to promote and support the growth and development of the CBI sector. **To enhance CBI operational efficiency and quest for viability through technology.**

Outcomes, Outputs, Performance Indicators and Targets			Annual Targets							
			Audited/Actual Performance			Estimated Performance		MTEF Period		
Outcome	Outputs	Output Indicators	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
Increase access in that have access to financial services and result in economic transformation.	Increase in Co-operative Banking Membership	7.2.1. Number of training programmes conducted	5	11	14	10	5	5	5	
	% increase of member deposits									
	Number of registered CBIs by PA									

**Outcomes, Outputs, Performance Indicators and Targets**

			Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
Outcome	Outputs	Output Indicators	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
		7.2.2. Number of direct technical assistance interventions provided.	66	72	99	70	35	35	35
		7.2.3. Number of monitoring interventions conducted.	23	45	42	35	20	20	20
		7.2.4. Percentage of Organised groups supported	100%	100%	100%	100%	100%	100%	100%

*\*Indicator revised from previous years*

### Indicators, Annual and Quarterly Targets

Output Indicators		Annual Target	Q1	Q2	Q3	Q4
7.2.1.1	Number of training programmes conducted	5	1	2	1	1
7.2.2.1	Number of direct technical assistance interventions provided.	35	5	15	10	5
7.2.3.1	Number of monitoring interventions conducted.	20	5	5	5	5
7.2.4.1	Percentage of organised groups supported	100%	100%	100%	100%	100%

*\*Indicator revised from previous years.*

## **Explanation of planned performance over the medium-term period**

The capacity building unit, operates two distinct functions consisting of a business transformation unit, doing business modelling, and addressing sustainability issues facing start up and registered CBIs, as well as an organisational development unit which will focus on training, training the trainer, accreditation, and mentorship.

The outputs aim to provide a holistic support programme through business transformation, institutional development, organisational strengthening, branding, and marketing.

1. The business transformation will look at three areas of the CBIs:
  - People – Skills and competencies of CBIs, roles and responsibilities, the performance management system, segregation of duties, internal controls and governance structures, Financial Modelling and preparing the CBIs for change in business (Change Management)
  - Process – Understanding of the process and procedures, re-engineering policies, procedures, and reporting.
  - Technology – Technology adoption within CBIs, knowledge of IT systems and technology solutions in the market for affordability.
  
2. Institutional development and organisational strengthening through informal and formal training, mentorship, coaching and capacity building inventions etc. To assist new players in the banking sector, an incubation programme will be introduced and implemented to ensure viability and sustainability. These initiatives will improve operational efficiency and effectiveness in the institutions.
  
3. The branding and marketing would entail, developing a strong CBI brand, identifying brand ambassadors, and developing a marketing campaign for CBIs. This would provide recognition, loyalty, and reliability of CBIs.

The output will contribute towards improving operational efficiency and effectiveness, building trust and confidence in the sector and as a result the CBIs will grow in becoming sustainable entities which serve the communities.

## Programme resource consideration

Output Indicators	Estimated expenditure	Medium term expenditure estimate		
	2023/24	2024/25	2025/26	2026/27
Number of training programmes conducted	994,508	479,424	1,983,114	2,042,607
Number of direct technical assistance interventions provided.	741,626	839,077	1,024,354	1,055,085
Number of monitoring visits conducted.	446,703	248,707	466,168	480,153
Percentage of Organised groups supported	83,368	-	-	-
	<b>2,266,205</b>	<b>1,567,208</b>	<b>3,473,636</b>	<b>3,577,845</b>

Economic classification	2023/24	2024/25	2025/26	2026/27
Compensation	7,764,260	6,556,653	7,015,619	7,506,712
Communication cost	60,000	120,000	123,600	127,308
Marketing	158,562	-	-	-
Staff training and development	240,000	100,000	103,000	106,090
	<b>8,222,822</b>	<b>6,776,653</b>	<b>7,242,219</b>	<b>7,740,110</b>
<b>Total</b>	<b>10,489,027</b>	<b>8,343,861</b>	<b>10,715,855</b>	<b>11,317,955</b>

## Narrative

The activities for the core indicators make up 19% (R1,6 million) of the budget. This activity cost relates to accommodation, travel, venue, and facilities for training. The compensation budget comprises of nine (9) positions with un-funded positions which were going to be based in the province. Compensation is 79% (R6,6 million) of the budget since the program offers a service. The challenge of allocating sufficient funds to the core program persists with a measure of services conducted virtually and sourcing stakeholder funding. The reduction of transfer over the MTEF would result in more virtual activities which may not be effective to achieve the strategic mandate.

The process of digitation which commenced in 2023/24 would improve efficiency resulting in cost saving.

<b>OVERVIEW OF 2024/25 BUDGET AND MTEF ESTIMATES</b>				
<b>Expenditure estimates</b>				
<b>Revenue</b>	<b>APPROVED</b>	<b>MEDIUM TERM EXPENDITURE ESTIMATES</b>		
<b>R thousand</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
Transfers	20,911,000	16,850,000	17,829,000	18,875,000
Registration fees	2,000	-	-	
Interest income	144,409	500,891	450,000	200,000
Stakeholder funding	-	-	2,034,630	2,268,378
Service in Kind from National Treasury	3,510,000	3,615,000	3,724,000	3,951,000
	<b>24,567,409</b>	<b>20,965,891</b>	<b>24,037,630</b>	<b>25,294,378</b>
<b>Programme Expenditure</b>				
1. Administration	14,078,382	12,622,030	13,321,775	13,976,422
2. Capacity building	10,489,027	8,343,861	10,715,855	11,317,956
<b>Subtotal</b>	<b>24,567,409</b>	<b>20,965,891</b>	<b>24,037,630</b>	<b>25,294,378</b>
<b>Surplus/(-) Deficit</b>	<b>0</b>	<b>0</b>	<b>-0</b>	<b>0</b>
<b>Detailed Expenditure For All Programmes</b>				
<b>Economic classification</b>				
<b>Current Payments</b>	<b>24,567,409</b>	<b>20,815,891</b>	<b>23,926,630</b>	<b>25,282,378</b>
Compensation of employees	12,928,228	12,209,486	13,064,240	13,978,836
<b>Goods and Services</b>	<b>11,639,181</b>	<b>8,606,405</b>	<b>10,862,390</b>	<b>11,303,542</b>
Annual license	10,000	12,000	12,360	12,731
Audit costs	1,110,000	950,000	1,110,000	1,143,300
Bank Charges	25,000	25,000	25,750	26,523
Board Costs	934,643	912,935	940,323	968,533
Communication	121,000	183,030	187,441	193,064
Refreshments	31,800	-	-	-
Consultants	3,683,304	2,855,242	3,361,139	3,577,254
Depreciation & amortisation	150,000	100,000	103,000	106,090
Lease payments	20,000	40,000	41,200	42,436
Legal cost	500,000	100,000	100,000	103,000
Publication and Marketing	164,162	-	-	-
Printing and Stationery	45,000	43,800	45,114	46,467
Human Resource Management	100,000	81,500	83,945	86,463
Rental	1,810,000	1,510,000	1,555,300	1,601,959
Staff welfare	10,500	11,000	11,330	11,670
Subscription	5,000	-	-	-
Training and staff development	440,000	200,000	300,000	309,000
Travel and subsistence	2,253,772	1,531,898	2,077,855	2,140,191
Venues and facilities	225,000	50,000	907,633	934,862
<b>Capital assets</b>	<b>-</b>	<b>150,000</b>	<b>111,000</b>	<b>12,000</b>
Tangible and intangible assets	-	150,000	111,000	12,000
<b>Total</b>	<b>24,567,409</b>	<b>20,965,891</b>	<b>24,037,630</b>	<b>25,294,378</b>



The government fiscal pressure of revenue decline has resulted in reduction of transfer on average of 21% (R5 million) over the MTEF period. The R5 million reduction resulted in 70% and 30% cut in the Capacity Building unit and administration respectively for the 2024/25 year.

The impact of the reduction would result in employees in the administration unit taking on more task with an already under capacitated unit. This could comprise quality of work and result in increased turnover or sick leave. In terms of the core unit, Capacity Building more virtual activities would need to be perform rather than physical activities. The impact of such activities is not very effective and could result in dissatisfied CBIs.

CBDA would address these challenges by partnerships and collaboration with stakeholder to supplement funding and services to carry out its core activities over the next two years.

## 8. Updated Key Risks

Outcome	Key Risks	Risk Mitigation
<p>Increase in communities that have access to financials service and result in economic transformation.</p>	<p>Insufficient financial resources which may lead to the CBDA not being able to achieve its mandate.</p>	<ul style="list-style-type: none"> <li>• Partnering with other stakeholders and setting up MOUs to leverage off existing functions and resources while reducing operating expenses.</li> <li>• Reduce the Cost to Income Ratio.</li> <li>• Reconfigure the CBDA Operational Model for efficient allocation of available human resources.</li> </ul>
	<p>Inadequate understanding of the CBDA's mandate by stakeholders.</p>	<ul style="list-style-type: none"> <li>• Rebrand CBDA and the Co-operative Banking Model and create awareness through an electronic presence.</li> <li>• Define a business case for the Stabilisation Fund and operationalise the funding to sustain the CBIs.</li> <li>• Conduct a feasibility study and develop a business case for a CBI incubation programme.</li> <li>• Form partnerships to leverage on existing stakeholder incubation programmes and/or resources for implementation.</li> <li>• A cabinet memorandum pronounced a merger between CBDA/SEDA (Small Enterprise Development Agency / <b>sefa</b> (Small Enterprise Finance Agency) and this will be in the background as we gear towards delivering on our current mandate.</li> </ul>

	Delays in implementation of technology solutions to modernise CBI operations due to dependencies on NT processes and shared functions.	<ul style="list-style-type: none"> <li>Source technological solutions for the CBIs through strategic partnerships in the Private and Public sector.</li> </ul>
<b>Outcome</b>	<b>Key Risks</b>	<b>Risk Mitigation</b>
Increase in communities that have access to financial services and result in economic transformation.	Reputational damage to CBDA through: <ul style="list-style-type: none"> <li>CBIs inability to sustain themselves and meet the needs of their members.</li> <li>Ineffective/no assistance provided to distressed CBIs.</li> <li>Lack of confidence and trust in CBIs.</li> <li>Decline in growth and de-registration of CBIs resulting in non-existence of sector.</li> </ul>	<ul style="list-style-type: none"> <li>To allow CFIs to become part of deposit insurance or to implement the stabilisation fund.</li> <li>Engaging with stakeholders and partners for assistance.</li> </ul>

## Part D: Technical Indicator Descriptions (TID)

### Programme 1: Administration

<b>Indicator Title</b>	<b>7.1.1 Number of outreach and education activities about co-operative banking model to groups and institutions.</b>
<b>Definition</b>	The CBDA to communicate the co-operative banking model to groups and institutions through workshops, conferences and presentations.
<b>Source of Data</b>	Email request, invites, presentations and attendance registers.
<b>Method of Calculation/Assessment</b>	<b>Quantitative</b> Simple count of number of responses, presentations and workshops conducted for groups and institutions about the co-operative banking model.
<b>Means of Verification</b>	Presentations, programmes, and attendance registers
<b>Assumptions</b>	There is an interest by the public (groups & institutions) in the CBI model or sector.
<b>Disaggregation of Beneficiaries (Where applicable)</b>	Not applicable
<b>Spatial Transformation (Where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (Year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	10 Outreach and education activities were conducted.
<b>Indicator Responsibility</b>	Acting Managing Director.

<b>Indicator Title</b>	<b>7.1.2 Number of communication activities and publications.</b>
<b>Definition</b>	The CBDA to communicate through publications (mail newsletters, articles, booklets, e-maildrops and campaigns and magazines) and communication activities (roadshows, exhibitions, and speeches).
<b>Source of Data</b>	Number of articles, newsletters, invites to conference, email drops and forums done or registering for displays of exhibition stand at events. Digital communications.
<b>Method of Calculation/Assessment</b>	Quantitative. Simple count of number of newsletters, articles, booklet, email drops and campaigns produced.
<b>Means of Verification</b>	Newsletters issued, articles email drops published or issued. Programme for participation in roadshows, speeches, and registration form at exhibition.
<b>Assumptions</b>	Invites by stakeholders and partners to share information and awareness of the co-operative banking sector. CBIs are interested in being kept up to date and informed of what is happening in the sector and around them.
<b>Disaggregation of Beneficiaries (Where applicable)</b>	Not applicable

<b>Spatial Transformation (Where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (Year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	5 communication activities and publications.
<b>Indicator Responsibility</b>	Acting Managing Director

### Programme 1: Administration (continued)

<b>Indicator Title</b>	<b>7.1.3 Number of partners and stakeholder relationships.</b>
<b>Definition</b>	Partners and stakeholders engaged in building working relationships through collaboration and partnerships so that CBDA can leverage from the services and products offered.
<b>Source of Data</b>	Meeting requests, reports of engagements/meetings held, agreements signed, use of services or products. reports of meetings and minutes of meetings.
<b>Method of Calculation/Assessment</b>	Quantitative. Simple count of relationships with partners and stakeholders. Signed MOUs, joint programs agreed to, minutes of meetings, collaborative programmes/project working with stakeholders.
<b>Means of Verification</b>	Number of agreements signed, and minutes of meetings held.
<b>Assumptions</b>	Stakeholder sign agreements and partnerships relationships maintained.
<b>Disaggregation of Beneficiaries (Where applicable)</b>	Not applicable
<b>Spatial Transformation (Where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (Year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	8 agreements,
<b>Indicator Responsibility</b>	Acting Managing Director.

<b>Indicator Title</b>	<b>7.1.4 Clean audit opinion</b>
<b>Definition</b>	Clean audit with no material finding
<b>Source of Data</b>	Year-end preparation check list. Annual financial statements submitted to Audit committee. Tabling of document at Board meetings for approval.
<b>Method of Calculation/Assessment</b>	Clean audit opinion obtained.
<b>Means of Verification</b>	Auditor's report. Auditor management report on findings. Proof of submission to National Treasury.
<b>Assumptions</b>	Financial statements would be audited, and internal controls will remain effective.

<b>Disaggregation of Beneficiaries (Where applicable)</b>	Not applicable
<b>Spatial Transformation (Where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	Clean audit opinion
<b>Indicator Responsibility</b>	Finance Manager and Programme Managers

### Programme 1: Administration (continued)

<b>Indicator Title</b>	<b>7.1.5. Percentage of valid invoices paid within 30 days.</b>
<b>Definition</b>	To measure invoices paid within 30 days of receipt.
<b>Source of Data</b>	Invoices stamped date or recorded on register. Register of invoices received and date of payment.
<b>Method of Calculation/Assessment</b>	Number of valid invoices paid within 30 days of receipt /Number of valid invoices received and paid x 100.
<b>Means of Verification</b>	Register of invoices received and date of payment.
<b>Assumptions</b>	National Treasury and suppliers provide invoices timeously without any queries on invoices.
<b>Disaggregation of Beneficiaries (Where applicable)</b>	Not applicable
<b>Spatial Transformation (Where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	100% of valid invoices paid within 30 days of receipt.
<b>Indicator Responsibility</b>	Finance Manager.

### Programme 2: Capacity Building

<b>Indicator Title</b>	<b>7.2.1. Number of training programmes conducted.</b>
<b>Definition</b>	Training Programme refers to programmes based on the CBDA training materials, i.e., Governance, Financial Management, Supervisory, Risk Management and Credit Committee.
<b>Source of Data</b>	Approved annual training calendar and attendance registers.
<b>Method of Calculation/Assessment</b>	Simple count of the training programmes conducted
<b>Means of Verification</b>	Quantitative. Approved annual training calendar

<b>Assumptions</b>	Board of directors, committee members, managers, staff, and general members will attend the training
<b>Disaggregation of Beneficiaries (Where applicable)</b>	Not applicable
<b>Spatial Transformation (Where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (Year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	5 training programmes are conducted
<b>Indicator Responsibility</b>	Programme Manager

<b>Indicator Title</b>	<b>7.2.2. Number of direct technical assistance interventions provided.</b>
<b>Definition</b>	Direct Technical Assistance, refers to, operationalisation, monitoring and highly technical interventions as outlined in the CBU service continuum.
<b>Source of Data</b>	Direct Technical Reports
<b>Method of Calculation/Assessment</b>	Simple count of direct technical assistance interventions provided.
<b>Means of Verification</b>	Direct technical assistance reports.
<b>Assumptions</b>	CFIs board, management and staff will be available for the direct technical assistance.
<b>Disaggregation of Beneficiaries (Where applicable)</b>	Not applicable
<b>Spatial Transformation (Where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (Year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	35 direct technical assistance interventions provided.
<b>Indicator Responsibility</b>	Programme Manager

## Programme 2: Capacity Building (continued)

<b>Indicator Title</b>	<b>7.2.3. Number of monitoring interventions conducted.</b>
<b>Definition</b>	Monitoring of CBI performance on all interventions undertaken by both Business Transformation and Organisational Development Sub-units.
<b>Source of Data</b>	Monitoring Reports.
<b>Method of Calculation/Assessment</b>	Simple count of monitoring interventions conducted by Technical Analysts within the Business Transformation and Organisational Development Sub-units (OD) after interventions as per signed monitoring reports.
<b>Means of Verification</b>	Monitoring reports
<b>Assumptions</b>	CBIs will be available for the monitoring interventions.
<b>Disaggregation of Beneficiaries (Where applicable)</b>	Not applicable
<b>Spatial Transformation (Where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative (Year-end)
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	20 Monitoring interventions conducted.
<b>Indicator Responsibility</b>	Programme Manager

<b>Indicator Title</b>	<b>7.2.4. Percentage of organised groups supported. (Demand driven)</b>
<b>Definition</b>	An individual or legal entity, including cooperatives and associations and groupings of individuals and legal entities who aspire to form a CBI.
<b>Source of Data</b>	Capacity Building Unit (CBU) Global Register of total Organised Groups that approached CBU for assistance.  Capacity Building Unit Register of Organised Groups assisted per quarter.
<b>Method of Calculation/Assessment</b>	Number of organised groups supported by CBU divided by total number of organised groups that approached CBU for support multiplied by 100.
<b>Means of Verification</b>	Capacity Building Unit (CBU) Global Register of total Organised Groups that approached CBU for assistance.  Capacity Building Unit Register of Organised Groups supported per quarter



<b>Assumptions</b>	There will be demand for pre-registration support
<b>Disaggregation of Beneficiaries (Where applicable)</b>	Not applicable
<b>Spatial Transformation (Where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired Performance</b>	100% organised groups requesting support are assisted.
<b>Indicator Responsibility</b>	Programme manager

\* Targets have been reduced to align with the budget cuts

## Acronyms and Abbreviations

<b>Acronym/Abbreviation</b>	<b>Description</b>
AGM	Annual General Meeting
BANKSETA	Banking Sector Education Training Authority
BASA	Bankers Association of South Africa
CBDA	Co-operative Banks Development Agency
CBI	Co-operative Banking Institution - Co-operative Banks and Co-operative Financial Institutions previously or currently registered by CBDA or PA respectively.
CBO	Community Based Organisation
DED	Department of Economic Development
DFI	Development Finance Institution
DSBD	Department Small Business Development
Fintech	Financial Technology
FSCA	Financial Sector Conduct Authority
FSRA	Financial Sector Regulation Action
IIA	Institute of Internal Auditors
IoB	Institute of Bankers
IT	Information Technology
NCSB	National Cooperative Sector Strategy

NSCSB	National Secondary Cooperative Sector Bank
NDP	National Development Plan
NPA	National Payment System
NGO	Non-Government Organisation
PA	Prudential Authority
PFMA	Public Finance Management Act
SACOBA	South African Cooperative Banking Association
SAICA	South African Institute of Chartered Accountants
SAICA	South African Institute of Chartered Accountants
SARB	South African Reserve Bank
SEDA	Small Enterprise Development Agency
<b>sefa</b>	Small Enterprise Finance Agency
SETA	Sector Education Training Authority
SME	Small and Medium Enterprise
SMME	Small, Micro and Medium Enterprises
SoE	State owned Enterprise

## ANNEXURE TO ANNUAL PERFORMANCE PLAN

According to the Framework for Strategic Plans and Annual Performance Plans, "a *Strategic Plan* may be changed during the five-year period that it covers. However, such changes should be limited to revisions related to significant policy shifts or changes in the service-delivery environment. The relevant institution does this by issuing an amendment to the existing plan, which may be published as an annexure to the Annual Performance Plan, or by issuing a revised *Strategic Plan*".

The Cooperative Banks Development Agency (CBDA) made the following change to its Strategic Plan 2020 to 2025 dated January 2021 in terms of Section 4.1 of the *Framework for Strategic Plans and Annual Performance Plans* as issued by the National Treasury:

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The number reflected in the final row of the table under paragraph 1.2, referring to the number of registered CBIs, is changed from **9 to 26** due to a typing error in the **2020 to 2025** Strategic Plan.

The deletion of the 3<sup>rd</sup> row "Facilitate operational efficiency through innovative solutions and technological interventions" up to "100% of registered CBIs having an IT system" as this has become sector driven given the establishment of a national secondary cooperative bank and SACOBA.