

Eastern Cape co-operatives benefit from Imvaba fund

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28-11-2012 - East London-based Xhobani Multipurpose Centre is one of 49 co-operatives which have benefitted from Imvaba Eastern Cape Provincial Co-operative Development Fund over the past three years.

The brainchild of Nomaci Qabaka, an enterprising entrepreneur who has already well-known in the creative industry, Xhobani is made up of the Gugulethu ICT Centre and Xhobani Beads. It is run as a co-operative with six directors, five of whom are women.

Earlier this year, Xhobani received a R895,000 financial injection from the fund so that it could buy computers and other equipment for its ICT centre.

"At the core of the centre is the empowerment of women and youth. The ICT centre employs five people, while the enterprise employs 15 people. It offers end-user training courses such as a six-month Microsoft Office as well as the A-plus course for computer technicians and software developers.

"The funding has given the centre the necessary tools to perform well in a highly competitive and innovative sector," says Nomaci.

The fund, driven by the Department of Economic Development, Environmental Affairs and Tourism, finances co-operatives and provides other skills which help drive business activities.

Imvaba Fund manager Thabo Shexane says the financial injection into Xhobani forms part of the R34 million disbursed to co-operatives in the province since 2010. The majority of the co-operatives are involved in agriculture, general manufacturing, services and information communication technology sectors.

Shexane says in addition to Xhobani, other co-operatives, supported by the fund, are doing well.

These include the Kat River Citrus Primary Co-operative which received R1,4 million for a new packhouse and plastic bins, Sinabo Primary Co-operative, which is involved in aluminum manufacturing and received R1,3 million for equipment and raw materials, and Zanezintle Crop Production which received R1,3 million for input costs to boost crop production.

Shexane says that while financial support is vital, non-financial support mechanisms are equally important.

"Hence, Imvaba has been involved in several enterprise development programmes to assist co-ops with technical skills, first aid, market access, business plan development, quality assurance and occupational health and safety.

"Non-financial help is crucial because of the profile of co-operative members. They often have minimal education, are between 40 and 45 years old and lack business and technical skills," says Shexane.

Last year, Imvaba awarded certificates to 59 villagers from 16 co-operatives in the Eastern Cape after completing technical agricultural and business management training programmes at the Fort Cox Agricultural College near King William's Town.

Shexane says the training, organised by ECDC, aimed to improve the state of farming by co-operatives.

He says 132 certificates were awarded for farm business management, first aid broiler management, crop and maize production, piggery and tractor maintenance.

Over R4,4 million has been set aside to improve technical and management skills of members.

"From 2013, ECDC plans to improve the technical skills of manufacturing co-operatives that have been approved for funding. These co-operatives mainly trade in sewing, bead making, and aluminum products manufacturing and block-making," explains Shexane.

The fund's monitoring and evaluation specialist Simphiwe Ntshweni adds that although co-operative registrations have increased, challenges remain which inhibit the sustainability of these businesses.

"At a basic level, understanding of the co-operative business model amongst members is lacking. Further government endorsement of cooperative development is also vital. Globally, the cooperative model has shown good results and could work equally well in South Africa," Ntshweni explains.

ECDC, Eastern Cape Development Corporation, Imvaba Eastern Cape Provincial Co-operative Development Fund, Imvaba, co-operatives, Eastern Cape, finance, fund, dfi, development financial institution,

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