



THE KATOTA MODEL FOR AN AFRICA-FOCUSED, COLLECTIVE FINANCE PROGRAMME

KATOTA IS A DEMOCRATICALLY MANAGED ENTITY OWNED BY ITS INVESTORS AND THE COMMUNITY IT SERVES. KATOTA PROGRAMMES ARE 3 DISTINCT PROGRAMMES INITIATED FROM THE NUCLEUS RUN THROUGH THREE FOUNDATIONS, EACH WITH A DISTINCTIVE FUNCTION, ADDRESSING MATTERS RELATED TO DEVELOPMENT, INFORMATION OR FINANCE.

FINANCE FOUNDATION

For more information:

Please peruse the KATOTA blueprint and the KATOTA Business Case and visit www.katota.com (Not fully operational yet.)



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1. PREAMBLE

KATOTA is an Africa-focused Collective Development Initiative. It has its conceptual roots in the development motto – *"together we stand, divided we fall"*. Therefore, a KATOTA is only a KATOTA if it participates in collective development initiatives. A stand-alone enterprise, organisation or person must meet stringent criteria for becoming a KATOTA.

KATOTAS are democratically managed entities owned jointly by its investors and the community it serves. Every KATOTA has a unique community as per the few examples below.

For RMI, its community comprises Global Foundations Central Companies, Global Pillars, – these are the Class B shareholder in RMI.

For a Territory Pillar, its community (Class B shareholders) comprises the Industry Unions in this particular pillar.

For an Industry Union, its community (Class B shareholders) comprises all its Projects (members) in the Union.

For a Project, it has the following three communities: (i) Co-workers (Class B shareholders), (ii) the target markets they serve and (iii) people in need that cannot help themselves without the intervention of other more privileged (stronger) people. Please see KATOTA Model – Generic version for a more detailed explanation and how KATOTA deals with this community in order to create a "Better Life for All".

1.1 THE MEANING OF THE WORD "KATOTA"

This pan-African development Programme is simply known as KATOTA (a Tswana word meaning "The Real"). Tswana is a widely spoken Southern African language.

1.2 KATOTA PROGRAM

The KATOTA philosophy spawns three foundational ministries which are focused on all identified industries in an economy in order to bring about meaningful development. Resource Mobilization Incorporated (RMI), initiates three Foundational Programmes.



They group all economic activities along industry types and each Foundation focuses on its core competency in their quest to satisfy physical, information or financial needs of persons, (natural or juristic).

Efforts to satisfy physical needs lead to the necessity of addressing information and financial needs.

RMI re-classifies all industrial activities to ensure a clearer focus on how the needs of communities could be served better. The Development Program; initiated by the Development Foundation focuses on serving communities by procuring investments in re-focused industries called KATOTAS. They are grouped into industry types / competencies to more effectively produce goods and services to meet the physical needs of communities being served by a KATOTA. It arouses the need to communicate information relevant to the above.

1.3 KATOTA FINANCE PROGRAM

The Global KATOTA Finance Foundation initiates the KATOTA Finance Programme. This Programme is a systematic convergence of comparable enterprises on a collaborative platform with the view of consolidating a select section of enterprises (KATOTA) in the Financial Engineering industry into leading Financial Institutions.

The goal is to transform each exclusive KATOTA into leading businesses with a minimum target of being rated among the top 10 in their mandated territory or locality.

The Objective is to transform KATOTA finance entities from small to large finance organisations into powerful and reliable partners capable of meeting the expectation of the community they serve. The Programme must facilitate synergies with the rest of the KATOTA Program.

Each business unit must be sufficiently sound so that they could survive economic upheavals and solid enough to be a reliable Finance Partner to all in KATOTA seeking to contribute towards meaningful economic development anywhere in the world.

1.4 UNIONS AND THE KATOTA FINANCE FOUNDATION

The Finance Foundation in a territory is a legal entity and a KATOTA in its own right. Depending on the legal requirements of the nation where it is incorporated, it could for example be a trust, foundation, not-profit company or normal propriety limited company that is licensed as a KATOTA Finance Foundation.

The Finance Foundation is the base for establishing KATOTA finance entities. One of the first tasks of the Finance Foundation is to partner with a suitable Sponsor (acquiring Class A shares in the process).



Its community will subscribe to the Class B shares. The Sponsor will establish KATOTAS in its Programme to enable these KATOTAS to afford the capital needed to perform their mandated functions. One of the most expensive products in establishing a KATOTA is the acquisition of the licence to operate as a KATOTA and the mandate to participate in declared Programmes.

The Finance Foundation in each territory has a right to secure licenses for seven Pillars of Finance and a minimum of eighty eight Unions. Finance Foundation Unions are grouped according to the area of speciality in accordance with the United Nation's International Standard Industrial Classification of all Economic Activity (ISIC). Each entity, after completion of the establishment procedure, is licensed to become a KATOTA in its own right.

1.5 KATOTA FINANCE PROJECTS

Any Katota within the Katota Finance Program is known as a Finance Project. Projects are grouped together under an Industry Union according to the ISIC classification tables.

2. INTRODUCTION

The focus is on the acquisition, management and creation of sufficient funds based on KATOTA Program assets to fund the collective development effort initiated by the people of the nations in need, consolidated and managed under the Development Foundation, Information Foundation and Finance Foundation.

After decades of development aid, Africa is still bound by the forces that keep the continent in a downward spiral of poverty. It is obvious that the development support, up until now, has been ineffective and largely a waste of scarce resources. After extensive research, KATOTA has acquainted itself with the salient reasons for Africa's lack of development.

Suffice it to say, that development is a complex multi-disciplinary challenge that could only be successfully addressed under Divine inspiration and provision, contrary to singular unstructured and uncoordinated development aid by well-meaning philanthropists.



One of the main reasons for unsatisfactory development is that, in the past, the development paradigms, or philosophies have been imported from outside Africa, with little regard for the indigenous value systems of the continent, like UBUNTU.

2.1 WHAT IS KATOTA?

Katota is a democratically managed entity owned jointly by its investors and the community it serves. Globally, all KATOTA are represented at the nucleus by Resource Mobilization Incorporated (RMI). RMI runs the KATOTA Programs through 3 main Foundations I.e. The Katota Development Foundation, The Katota Information Foundation and The Katota Finance Foundation. Any entity that joins KATOTA falls under the jurisdiction of one of the three Foundations.

Locally, KATOTA is a democratically managed entity owned jointly by its investors and the defined community it serves. Such a Katota purchases an exclusive or participation business right from a local or central KATOTA it identified itself with before incorporation or conversion into a KATOTA. There are prescribed fees in a manner consistent with a franchisor and franchisee relationship.

KATOTA, in the Finance Foundation, comprises locally registered Financial Services companies (Investment financial service providers, Re-insurer, Investment Managers, Treasury Management venture capital companies etc) and a minimum of two defined community members or accounts the Ka will serve. Such accounts (actually, the defined community) must be sufficient to sustain the Katota. in the KATOTA Finance Program.

The accounts or members could be existing companies or new companies with evidence to prove there is capacity to do the business concerned. The KATOTA under the Finance Foundation must be committed to creating enough funds to meet the expectation in terms of its Mandate.

The KATOTA Finance Program involves KATOTA finance companies participating in declared KATOTA Finance Programmes as a means to work towards achieving the economic aspirations of the community they serve.

The Sponsor is a Class A equity holder together with the Finance Foundation. They partner with the community they need to serve. The members of the community who take up Class B shares in a KATOTA Finance Company must be clear leaders of their target community and from whom benefits will flow to the larger community concerned (the often forgotten community as described below). Efforts must be made by KATOTA Finance entities to work with finance houses all over the world within their territorial rights. They must contribute to the concerted efforts being made across multiple fronts to achieve equality among men, despite individual differences, giving meaning to the statement "all men are equal before God".



From the KATOTA point of view, economic and social inequalities need to be addressed in a focused manner with the deliberate intention to uplift communities in need.

The yoke with which Africa has burdened the developed world will remain until the conditions that keep Africa under the yoke of unfulfilled needs is eradicated and One World is achieved where humans are free and can move around freely.

Developing the world to a stage where equality and freedom of movement for humankind is achieved, is conducive to experiencing the peace and harmony we all want.

KATOTA is focusing on economic development (the creation of wealth) as a means of creating a better life for all people. Although the focus is on Africa, men and women from all nations are invited to participate. KATOTA is inviting all to assist by managing the value Africa has to offer – transforming its assets into well deserved sought after objects in order to bring about the equality we all desire.

To execute this development initiative, KATOTA seeks to avail its earned assets to be used to consolidate comparable businesses in collectives, and package them in a manner suitable for global participation.

2.2 KATOTA AND ITS COMMUNITIES

KATOTA Programmes revolve around communities – people – the reason why KATOTA exists. KATOTA has no desire to build empires or to hoard profit for the self enrichment of the few to the detriment of many others as is customary worldwide.

2.2.1 Defining communities

KATOTAS are democratically managed entities owned jointly by its investors and the community it serves. Every KATOTA has a unique community as per the few examples below.

For RMI, its community comprises Global Foundations Central Companies, Global Pillars, – these are the Class B shareholder in RMI.

For a Territory Pillar, its community (Class B shareholders) comprises the Industry Unions in this particular pillar.

For an Industry Union, its community (Class B shareholders) comprises all its Projects (members) in the Union.

For a Project, its community comprises in the first instance its co-workers (Class B shareholders) and the target markets they serve as well as the often forgotten community –people in need that cannot help themselves without the intervention of other more privileged (stronger) people.



2.2.2 Winning the war in the board room

From the above it is clear that the community plays an important role in the KATOTA philosophy. A community could be a group of people, a village, a town, existing co-operatives, a Union, or any defined group of people who have a need for economic upliftment. Therefore, a community (for a Union) could be existing companies or new companies with evidence that it has the capacity to contribute meaningfully to the economic development of its target market (which is their community).

Communities also harbour people in need. These people traditionally are reliant on charitable work done out of sympathy and funded from Corporate Social Investment initiatives. This leads to a war in the boardroom as labour argues that instead of "wasting money" more jobs should be created, employees and management argue that their bonuses and salary increases are dissipated and shareholders argue for the sake of preserving their dividends. Consequently, the minimum is reluctantly spent on social upliftment. Often there is no proof in which way the community has experienced real, or sustainable benefits because charitable organisations, for many reasons, are known for their inefficiencies and ineffectiveness. Analysts make a valid argument that poverty has become a major industry and it is essential for many with vested interest in the Poverty Industry to keep people needy and dependent.

KATOTA is set to change the definition of poverty. What will be regarded as poor after KATOTA has become involved in a community will be different to what is currently defined as poor (before KATOTA got involved in a community) because of the manner KATOTA creates and distributes wealth, sustainably.

One way of achieving this goal is the manner in which KATOTA defines and involves "The Community". KATOTAS recognise the following three elements of their community they are called to serve.

- (i) the co-workers in a Project,
- (ii) the Project's target market, and because both represent people on grass root level who live in a society (area/district) they also live amongst
- (iii) people in need. Therefore, Co-workers and target markets comprise people that are aware of other people in need living amongst them. A Project must identify these needy communities with the aim of providing relief, or some form of assistance. This is executing the KATOTA philosophy of creating a "Better Life for All".

However, since a project is (and should be) focussing on its core business, it is human nature to neglect non-business matters. Therefore, One World will approach Unions in the different Pillars with the view of introducing this third (and often forgotten) community forming part of the responsibility of each of their Project Companies. OneWorld will solicit a percentage of the net profit of a Union or its individual Projects on behalf of their third community (living amongst their co-workers and target markets) for which they are responsible according to the KATOTA philosophy.

One World is constantly compiling and updating a database of all Accredited and Performance rated Community Benefit Organisations (charities) who operate in that particular area/district and who will use the resources so released to perform *effective and efficient* charitable and upliftment services.

This money from the Project will be distributed to worthy (accredited) Community Benefit Organisations who will perform their upliftment duties under the supervision of the One World Union for Membership Organisations who will constantly monitor their performance and the value delivered on grass roots level.

A methodology and strategy has been devised whereby a Project Company could regard this before tax expenditure as part of its marketing and public relation expenditure as this money will be used to also build its brand (for brand loyalty) and its reputation (for company loyalty) as well as creating for it a status of preferred employer, enabling it to draw the best employees (co-worker talent) from the community because of the goodwill so created. It is therefore a win-win scenario.



3. THE KATOTA PHILOSOPHY

The KATOTA philosophy strives to capture the indigenous African value proposition of UBUNTU and provides a platform that enables it to express itself in home-grown solutions for development.

This necessitated KATOTA to transform the ways in which it has structured its Financing initiatives, the answers of which were not to be found in the libraries of great philosophers or economists embracing their conventional thoughts about consumerism. The Financing philosophy is, therefore, in the first place transformational and then sustainable. It does not want to sustain a failed (imported) economic system, but wants to find the indigenous solutions and then sustain it with indigenous project driven development programmes that will do justice to the home-grown value proposition that is part of the heartbeat of Africa.

Therefore, real financing need must first be identified by those in need and their desires must then be structured scientifically correctly according to the drivers for development, leading to a *correct* needs prioritisation (covering the full spectrum of wishes revolving around tangible and intangible requests for development).

3.1 GLOBAL ECONOMIC PREDICAMENTS – THE NEW REALITY DEMANDING EXCELLENCE

During the 2011 world congress of the Society for International Development, the economic predicaments of many donor nations were noted. This is one of the resolutions:

"Be prepared to argue for development effectiveness and be prepared to talk about measurement and evaluation in new, more detailed ways. Reduced dollars means greater competition for those dollars. Whoever has both the political clout and the best story to tell about how to spend aid dollars is going to win."



Following this new reality of diminishing development aid, the topic of sustainability must encompass both global and project / enterprise sustainability. Responsible funders demand both. Therefore, the KATOTA Finance Programme addresses both.

3.1.1 Excellence pertaining to global sustainability

The KATOTA Blueprint (published on www.katota.com) adheres to the following three globally accepted prerequisites for sustainability: (i) social sustainability, (ii) environmental responsibility and (iii) sound governance. These values are underwritten by –

- The alliance between the UN Global Compact and the Global Reporting Programme (The Sustainability Handbook; Smart Strategies for Responsible Companies in South Africa, Triologue [July 2009]. *Global Reporting Initiative*, www.globalreporting.org; www.unglobalcompact.org),
- The World Bank and its 5 organisations (*World Development Report 2010: Development and Climate Change*, http://publications.worldbank.org/index.php?main_page=product_info&cPath=0&products_id=23631),
- The Equator Principles (representing financial institutions responsible for 80% of global project investment) (Ethical Corporation [November 2006]. *Special Report: Financial Sector Responsibility – Regaining Trust through Transparency*, www.ethicalcorp.com),
- The Organisation for Economic Cooperation and Development (representing 35 leading countries) (The Sustainability Handbook; Smart Strategies for Responsible Companies in South Africa, Triologue [July 2009]. *OECD Guidelines*, www.oecd.org) and
- The Private Equity Council Investment Guidelines (*Fiduciary Responsibility: Legal and Practical Aspects of Integrating Environmental, Social and Governance Issues into Institutional Investments. A Report by the Asset Management Working Group of the United Nations Environment Programme Finance Programme* [July 2009]).

Furthermore, South Africa has taken the lead with a uniquely fresh approach to sustainability – the concept of Sustainability 2.0. According to Nicola Robins (co-founder and director of Incite) “Sustainability is an approach to creating value that sustains or enhances the systems (resources and processes) upon which that value depends.” Summarised, this sustainability concept goes beyond mere compliance as it (i) optimises value creation for a wide range of stakeholders, (ii) develops transition competencies, processes and relationships required to compete and capture value in a changing world and (iii) ensures resilience by linking sustainability initiatives clearly to the profit formula in the short, medium or longer term. (Please visit www.incite.co.za.)

3.1.2 Excellence pertaining to project / enterprise sustainability

The KATOTA Finance Programme is focused on Africa. It is funded by using the resources of Katota to consolidate the resources of the nations in need, whilst placing the responsibility for development with the nations being assisted. Nations being assisted by KATOTA take responsibility for their own development outcomes by using the services of the local Institute for Applied Human and Management Science, Community of Experts and Schools for Decision Support. Amongst other things, they deploy appropriate Value Management Programmes and Customised Decision Support Systems, encouraging adherence to the KATOTA philosophy of transparency which leads to accountability, which in turn demands restitution (the fixing of mistakes) where needed.



KATOTA has to battle the pervasive African pessimism (caused by decades of failure and lack of trust) by the manner in which it (i) has compiled its financial instruments, (ii) has structured its operations, and (iii) will conduct its development initiatives.

Each Finance Union must be registered with the appropriate authority and must comply with the regulatory framework over and above the Katota prescribed monitoring process by trustees, an advisory board of selected directors and executive directors being elected by members. With the solid supervision as stated above KATOTA finance organisations provide business intelligence that is in time, relevant and accurate. It ensures that every finance Union is managed effectively, efficiently, profitably and sustainably by delivering optimal value to its customer base, *consistently*.

Value Management Processes are customised for a specific industry (for the industry by the industry) for deployment to Project Companies serving government departments, business and non-business organisations).

The process provides regular Performance Improvement Proposals containing Fundamental Management Information of Strategic, Tactical & Operational significance. It correctly prioritises remedial action for decision makers. It is a guide (colour coded action sheet) assisting managers to make significant and informed strategic, tactical and operational judgements in order to keep operations on budget, as specified, and within time as well as other constraints contained in Service Level Agreements. This is the recipe for conducting a business operation successfully.

Because of the above, the KATOTA Finance Model has been hailed as the most comprehensive and the most intensive development model ever to be devised for implementation in any country, or continent.

Never before has sufficient funding been linked to sound financial management methodology, supported by cutting edge technology and driven by a dynamic deployment strategy implemented by well trained, passionate people – each of them an expert in his/her own right for the management of the financing of the Katota Program..

3.1.3 Excellence through embracing the KATOTA philosophy

The KATOTA Finance Programme will succeed. Failure is not an option. This is a pledge made by KATOTA to Africa and all its peoples as well as the funders who put their trust (and money) in the care of KATOTA and its member companies with its co-workers. Therefore, co-workers equally pledge their allegiance to the KATOTA philosophy and its culture of excellence by their compliance to the KATOTA ethos.

In order to ensure compliance, it is a rule that all co-workers, irrespective of their level of involvement and country from which they operate, do follow and pass the KATOTA Curriculum of Excellence. They will only then be licensed to form, or be involved, in a KATOTA after completion of the prescribed study. This strict rule ensures the KATOTA philosophy and culture are preserved and adhered to by all, conscientiously.

KATOTA Finance Unions are continuously monitored by measuring the level of proficiency (in terms of effectiveness and efficiency) by which their individual business, and organisational processes, are being executed. Performance Indices are constantly being computed and compared to benchmarks being created for best practices according to statistical modelling processes.

The sole reason for this is for sound financial management. KATOTA needs to establish the reality of current competencies and proficiencies and assist individual co-workers to change from a less desired, to a more desired level. Therefore, much of the information so released is confidential and directed to the individual in need of improvement. However, projects receive Performance Improvement



Proposals containing Fundamental Management Information of Strategic, Tactical & Operational significance to assist decision makers in constantly enhancing Enterprise Value. People who insistently deviate from these values will constitute a breach of contract that could lead to a cancellation of accredited status that will prevent them to make business decisions on behalf of the entity they are responsible for.

KATOTA, because of its proactive approach implied throughout this document, will not allow one of its finance companies to fail.

The KATOTA Curriculum of Excellence comprises five main modules:

1. **Personal Excellence/Leadership**

The objective of this module is to empower people to crystallise their life purpose and to learn to live life excellently in order to make a significant impact on their personal and professional environments.

2. **Value Management**

An enterprise or relationship exists because of its value. The object of this module is to understand the principles of value and the secrets of creating, enhancing and maintaining the value of enterprises or Government and the relationships involved – also addressing interpersonal relationships.

3. **Sustainability 2.0 and SHEQ**

The object of this module is to teach the principles of (i) optimising the creation of value, (ii) developing transition competencies, processes and relationships required to compete and capture value in a changing world and (iii) ensuring resilience by linking sustainability initiatives to the profit formula in the short, medium or longer term. This cannot be achieved without addressing safety, health, environment and related quality issues.

4. **Ethical Best Practices**

It is expected from all in KATOTA to maintain high ethical standards and it is important to ensure all involved from the most modest position to the highest position conduct themselves appropriately.

5. **Governance**

The object of this module is to explain the principles governing the KATOTA philosophy, structure and some best practices revolving around KATOTA procedures.

3.1.4 Definitions

Finance Companies: - These are individually owned and managed companies / enterprises that function financially independent from its counterparts in the same or any of the different Pillars.

Finance Union Companies: - these are commonly known as investment financial service providers and similar financial services companies among the re-insurers dedicated to a specific industry along the International Standard Industrial Classification of all Economic Activities (ISIC). There are as many Finance Union Companies as there are industries in an economy. In the finance Foundation a Union could be a department in a large financial service provider.



Pillar of Finance: – There are 7 Pillars of Finance mandated in a KATOTA Foundation for a territory. These mandates are for a specific territory to coordinate companies in order to consolidate various Finance Unions along carefully diversified industries with the core aim of performing certain financial service provider functions.

UniBond: - the debt instruments issued by all Union Companies in the various foundations as a credit note or for raising cash. .

3.1.5 Governance

Ownership: KATOTA has been introduced by Resource Mobilisation Incorporated (in the British Virgin Isles) after extensive research, trials and experiments in assisting businesses in African countries. This finance Programme is owned by Resource Mobilisation Inc and implemented via the 3 foundations mentioned in this document. The extent of any entity's participation in the KATOTA programme is regulated by the license issued by, or on behalf of Resource Mobilisation Inc.

KATOTA is not a holding company, nor a conglomerate, but it is a Finance Programme in which any juristic or sophisticated natural person could participate, provided they meet the criteria set by KATOTA.

Shareholding, risk and responsibilities

KATOTA wants to ensure its Finance Programme is home grown and not imposed on people. Therefore, KATOTA brings the possibilities and the means of execution to the knowledge of the people and allow Sponsors from the nations concerned to lead the process in the allocated territory. This structure also amounts to diversifying business risks so that the whole KATOTA Finance Programme could never be at risk. Finance Union Mandates and licences are allocated according to industries and separated according to the ISIC.

Participants must be willing to take responsibility and ownership. Those willing to take advantage of the exclusivity allocated and take risk with the Foundation by way of participating in shareholding are called "Sponsors". Sponsors are required to hold the following equities:

- Sponsors of Pillars of Finance = 1%
- Sponsors of Unions (Investment Financial service providers and similar institutions) = 5%
- Sponsors of financial services companies other than unions and investment financial service providers = 20%

Above are KATOTA criteria for its initiated Financial institutions. Equity taking in existing financial institutions by the finance foundation for a privilege to participate in the KATOTA Finance Program will be negotiated to ensure there is equitable allocation of ownership matching risk taking and value supplied.

For as long as any Union in the KATOTA Finance Programme issues UniBonds, 100% of the shareholding will be held, or committed to the Foundation, until all UniBonds are redeemed.

While using KATOTA debt instruments, a Union t will be subject to the KATOTA bondholders. Best practices for the Finance Institution, focusing on a particular industry and its projects will be established and the performance of critical business processes will be measured against statistically computed benchmarks in order to enhance the efficiency, effectiveness, profitability and sustainability of institutions.

**Structure:**

In a specific nation, KATOTA Finance companies could be licensed as a Foundation, Pillar of Finance, Finance Union (Financial service provider), or Financial Services Company, fulfilling the following functions:

- Financial Services Companies are individual enterprises, functioning within an industry and grouped together as members of a Union (Financial service provider). Financial Services Companies are categorised according to the industry mandated and in accordance with the International Standard Industrial Classification of all Economic Activities - ISIC). Therefore, Unions (KATOTA Financial service providers) consolidate Financial Services Companies (members) in their relevant ISIC Program per nation in order to ensure that the output of the Finance Foundation is in consonance with the output of the Information and Development Foundations.
- Pillars of Finance are mandated to perform specific financial service provider services, aiding the Financial Reserves of the Territory mandated. Pillars of Finance use the KATOTA Program resources to procure finance and invest through unions in such a manner that constant money is created to fund the KATOTA Programs (in the territory mandated.)

Extent and Limitation of Liability - liability in any KATOTA entity is limited to the mandate allocated to the entity. Liability is always limited to the entity concerned and its mandate. The Foundations, Pillars and other Unions take no responsibility, or liability, on behalf of any Katota Company except for its contribution in terms of its shareholding and the Mandate held to take debt.

Conduct - Foundations, Pillars of Finance, Unions, and Project Companies are governed by their own board of directors, to some extent assisted by their trustees, committees or members as stated in the document concerned.

All KATOTAs adhere to the code of excellence (constantly monitored, quantified and adjusted where necessary) in order to meaningfully and verifiably contribute to the collective objective of the KATOTA Finance Programme for an effective contribution to Africa's development.

4. KATOTA FINANCE PROJECT - FINANCIAL SERVICES

Financial Services Companies are separate legal entities, each with its own board of directors, functioning independent from the other, but within the KATOTA philosophy. The success of KATOTA Finance Program and all it stands for, depends on the fact that the majority, if not all, of its Financial Services Companies need to be successful.

Therefore, each prospective participant will need to complete the KATOTA Curriculum of Excellence successfully in order to be accredited as a KATOTA member.

Only certified KATOTA members could be licensed to run KATOTA Finance entities or be involved in any of its hierarchical levels.



Part of the KATOTA Curriculum of Excellence is the ability to manage value (a concept explained in antecedent documents available on request). Value Management Programmes are customised, first for an industry (for the industry, by the industry), then for each Project, assisted by the Project. This grassroots involvement provides business intelligence, special reports and specialist reports to nominated management levels for proactive remedial steps to ensure the effective performance of business and organisational processes, efficiently and profitably in order to ensure sustainability.

These user friendly and in-time reports contain just the right amount of accurate information. It is delivered to the assigned management level as specified throughout the command structure, up to the highest level (Foundation Trustees) as required. Because of these proactive steps, no KATOTA project will be allowed to fail.

5. UNIONS OF FINANCIAL SERVICE PROVIDERS

Financial Management Programs are grouped to focus on Unions and is mandated similar to the **International Standard Industrial Classification of All Economic Activities** (ISIC), which is a United Nations system for classifying economic activity.

The ISIC is widely used, both nationally and internationally, in classifying data according to the kind of economic activity in the fields of production, employment, gross domestic product and other statistical areas.

ISIC is a basic tool for studying economic phenomena, fostering international comparability of data, providing guidance for the development of national classifications and for promoting the development of sound national statistical systems. KATOTA has adapted the ISIC system for structuring its Pillars of Finance.

The specific classification will not be repeated in this document. The tables are available on the website www.katota.com, (which is currently not fully functional yet).



In the KATOTA culture these tables represent areas of focus for financial engineering aimed at money creation to aid developing nations to develop in spite of the prevailing pessimisms. Each Financial service provider or Finance Union is lead by a Sponsor who needs to elect a minimum of six directors who will act in an advisory capacity. Advisory committees could flow out of the advisory board. The executive board is always elected from all members (also electing the CEO).

Because development is a specialist and multidisciplinary challenge, KATOTA operates from seven different Pillars of Finance, each with its own function (speciality) as will be seen below. The three KATOTA Foundations house the same seven Pillars and the identical list of Industry Unions according to ISIC.

6. THE THREE FOUNDATIONS

KATOTA manifests itself by means of three foundations - each with a specific mission as described below. Each of them contains seven pillars, minimum of eighty-eight Industry Unions and numerous projects.

All nations have rights to (i) Pillars of Finance (seven), (ii) Industry Unions (minimum eighty-eight) and (iii) Projects (no limit).

The Finance Foundations play a central coordinating role. They allow that ownership of the nation-specific Finance Programmes to be retained in the same country. The Foundations also ensure the Africa-Focused objective could be achieved by utilising unused profit to invest in Africa. This document focuses on the Finance Foundation and its programs.

Each of the three foundations has its own unique character, depicted by its own logo.



The finance logo is scattered pieces of Africa coming together. When this image is extended further and further, individual blocs come together. They are being attracted to the centre and as it gathers strength, it becomes as wind, moving with a force and direction depicted by the Information logo (in the middle) where information management becomes critical. The better information is managed, the quicker strength will be gathered, and when strength is fully gathered it becomes a full tornado. A full sweeping tornado is seen in the Holding (development logo).

6.1 THE KATOTA FINANCE FOUNDATION

It houses seven Pillars of Finance and Unions (Investment Financial service providers) focused along the classification of ISIC -United Nation's International Standard Industrial Classification of all Economic Activity. The other two foundations have Pillars of Information and Pillars of Development. It is also nation or territory -specific.

Projects in the Finance Foundation are the trigger for the issuance of Commercial Papers and UniBonds within mandates held by the issuing entities. All Katota projects will be granted credit if so required mainly by their counterpart Unions in the Finance Foundation.

The Unions (Financial service providers) under the Finance Foundation issue UniBonds within the limits of their mandate in the Katota Program. Although all projects in the finance foundation must be feasible, UniBonds are not issued based on the feasibility of the applying projects, but based on the mandate backed by assets from the nucleus of the Katota Program. In order to generate the funding required for a project, a Union may use its UniBonds as credit notes or may sell UniBonds to its counterpart in the Finance Foundation to raise its required cash.

KATOTA is committed to address the reasons it has identified for the lack of financial capital in Africa. This Foundation allows Pillars of Finance and Finance Unions (Investment Financial service providers and Re-insurers) to partner with Local private and public financial institutions to deliver on this commitment. Since finance is a complex multi-disciplinary challenge that needs to be addressed through consolidated and coordinated efforts, by means of financial



engineering that deliver verifiable results, the Finance Foundation caters for all such Finance activities needed to create sufficient money to fund the mandated Katota Program.

7. FINANCE PILLARS

The Finance foundation has seven Finance Pillars. Each of them has a unique function that is concisely explained below, not in any particular order. Each pillar has a Sponsor (pillar head) and a minimum of six selected directors – the advisory board. The members (unions) elect an executive board of seven members (including the CEO).

Given the fact that the Finance Pillars each has a definite mission; it follows that the Finance Union Companies will benefit from their counterparts Foundations.

Despite the exclusivity, the principle of one serves all, and all serves one, making it a specialised, comprehensive and dedicated approach, applies to all Finance Foundation entities.

7.1 ONE WORLD PILLAR

The KATOTA One World pillar focuses on selected financial service provider services on behalf of Financial Services institutions and companies in the OneWorld Pillar of Finance. Its purpose is to aid the Katota Program by creating sufficient money to fund all OneWorld Programs in terms of its mandate.

Hand in glove with this mission runs the focus of mobilising finance to fund individuals and the financial needs of civil society as requested by the Unions in the Pillar.

A special information and training programme dedicated to this Pillar will disseminate the KATOTA philosophy in an inspiring manner.



7.2 ASSETS PILLAR

The KATOTA Asset Pillar focuses on selected financial service provider services on behalf of Financial Service institutions and companies in the Asset Pillar of Finance. Its purpose is to aid the Katota Program by creating sufficient money to fund all Asset Programs in terms of its mandate.

The principle of one serves all, and all serves one, allows the Pillars of Finance to be specialised, comprehensive and dedicated as expressed by the Asset Pillar of Finance.

7.3 LAND FINANCE PILLAR

The KATOTA Land Development pillar of finance focuses on selected financial service provider services on behalf of Financial Services institutions and companies focused on land development based finance This Pillar of Finance aid the Katota Program in creating sufficient money to fund all Land Development Programs first and in terms of its mandate.

The principle of one serves all, and all serves one, allows the Pillars of Finance to be specialised, comprehensive and dedicated as expressed by the Land Development Pillar of Finance.

7.4 TRADE PILLAR

The KATOTA Trade Pillar of Finance focuses on selected financial service provider services on behalf of Financial Services institutions mandated to focus on trade and trading activity Finance. To aid the Katota Program in creating sufficient money to fund all trading Programs first and in terms of its mandate.

The principle of one serves all, and all serves one, allows the Pillars of Finance to be specialised, comprehensive and dedicated as expressed by the Trade Pillar of Finance.

7.5 SERVICES PILLAR

The KATOTA Services Pillar of Finance focuses on selected financial service provider services on behalf of Financial Services institutions mandated to focus on the services Industry to aid the Katota Program in creating sufficient money to fund all services industry programs first and in terms of its mandate.

The principle of one serves all, and all serves one, allows the Pillars of Finance to be specialised, comprehensive and dedicated as expressed by the Services Pillar of Finance.



7.6 INDUSTRIAL FINANCE PILLAR

The Industrial Pillar of Finance focuses on selected financial service provider services on behalf of Financial Services institutions mandated to focus on the Industrial Development financing to aid the Katota Program in creating sufficient money to fund all manufacturing programs in terms of its mandate.

The principle of one serves all, and all serves one, allows the Pillars of Finance to be specialised, comprehensive and dedicated as expressed by the Development Pillar of Finance.

7.7 FINANCE PILLAR

The KATOTA Finance Pillar of Finance focuses on selected financial service provider services on behalf of Syndication institutions mandated to focus on the Financial Services Industry. They are not normal Financial service providers and Insurance Companies whose trading activities include deposit taking. Their goal in the Katota Program is to aid such institutions to create sufficient money to fund all financial service providers and Insurance companies' programs in terms of its mandate.

The principle of one serves all, and all serves one, allows the Pillars of Finance to be specialised, comprehensive and dedicated as expressed by the Finance Pillar of Finance.

Normal Financial service providers and insurance companies that form part of the KATOTA Union shall be required to operate specialised departments dedicated to the needs of the industries in the Development Foundation in terms of a cooperation agreement with the relevant Industry Union in the Development Foundation.

Normal Financial service providers and Insurance companies are registered under the Finance Pillar in the Development Foundation. The Finance Foundation entities focus purely on financial engineering and the creation of sufficient money to fund relevant mandates. No deposit taking services shall be offered under the Finance Foundation.

8. SPEED OF DISSEMINATION

KATOTA has the ability to disseminate its Value Management Programmes dedicated to the financial engineering industry involving selected financial service provider services, trading and re-insurance at the same speed as it expands its operations nationwide, continent wide and globally – even while simultaneously serving non-KATOTA



organisations as well. The secret lies partially in the quintessence of the methodology, cutting-edge technology and dynamic strategy.

However, this is only one side of the coin. The other side lies in the fact that it has an open source (with a few limitations) policy.

KATOTA does not stand for selfish, self-enrichment. Therefore, all the operational procedures are shared with whoever is interested to cooperate with KATOTA and follow its philosophy.

In order to achieve this goal, accredited training courses have been (and are being) developed to train eight different vocation designations. This training opens new career opportunities never available before. The most important of these designations are the Value Manager Fellow, Value Manager Associate and Value Manager Professional – depending on academic qualifications and experience.

These people are typically employees of companies who will be trained in the science of value management.

After successful examination, they will be certificated by the local Institute for Applied Human and Management Science with the accreditation to practice as a Value Manager.

They will remain in the employment of their companies but now empowered to apply the Value Management principles correctly, and thereby adhering to the philosophy of KATOTA, allowing KATOTA to fulfil its mission with no cost and no risk, rapidly.

Due to the principles of blended learning (e-learning combined with practical experience), the Institute for Applied Human and Management Science is able to train hundreds of thousands of Value Managers.



Value Managers bear no additional expense while executing the KATOTA philosophy in their current work environment – even paid more by their employers due to their higher employee value.

The concept of Value Management opens new career prospects – one of the many new career opportunities created in the 21st century that have never existed before. People qualified and accredited as Value Managers will find that they are masters of information, making them authoritative and sought after advisors.

They will be able to serve and guide all levels of management, and the boards of enterprises and organisations that have employed them, with accurate and in-time Fundamental Management Information of Strategic, Tactical & Operational significance.

The methodology, technology and strategy are so devised that all organisations will want to follow the principles of Value Management (for reasons extensively explained in previous documents).

9. CLOSING REMARKS

The integration of all Finance Programs is done along the ICIS standards in each Katota demarcated territory. A territory may be a whole nation, portion of a Nation or a number of Nations.

The transformed sound and powerful unit is called an Industry Union in the Finance Foundation. Each Unit is a Katota on its own. It has its own Sponsor, its own Board and is anchored by its Local KATOTA Finance Foundation as its stable partner that has the stability to take credit.



The KATOTA Finance Programme is implemented through any one of the KATOTA Finance Foundations worldwide but they remain Africa Focused. Each Program operates within the KATOTA Structure with seven Pillars in each territory. Each Pillar will encourage the setting up of units along United Nation's International Standard Industrial Classification of all Economic Activity (ISIC). Where a classification is too broad re-classification will be done by the Pillar into ISIC Groups or Classes.

In spite of the extremely high failure rate of small, medium and micro-enterprises (SMME's) in Africa, it is highly unlikely that any KATOTA project will go that far down the road to failure. The reason is that Katota will not participate till there is clear agreement to consolidate into a sound sustainable unit and then an appropriate comprehensive Value Management Programme and Customised Decision Support System will be deployed to each project in the Union as described above, providing management, directors and trustees (overseers) with 24/7 business intelligence on their personal computers, even mobiles, or in a conventional "war room" with rolling reports.

With this Business Intelligence in place for each project, and overseers doing their duty by instituting the *proactive* prioritised remedies, referred to above, creditors would never be able to prove lack of managerial capacity or negligent management. Production will not be stopped - this applies to all tools of production. KATOTA encourages stability and consistency. Indeed, the KATOTA Finance Programme is a most comprehensive and intensive Africa-Focused Collective Development Programme delivered by an effective and efficient nation-specific Finance Machine.



COMPILED BY:

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