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# AFRICAN NATIONAL CONGRESS

*Office of the Treasurer General*

PROJECTS DEPARTMENT

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Helena Lauko  
Executive Director  
International Solidarity Foundation  
Helsinki  
Finland.

8th July, 1991.

Dear Helena,

Re : Vuyisile Mini Furniture Factory.

Allow me to introduce myself as the Regional Projects Co-ordinator for the ANC's East Africa Projects. Please accept my sincerest apologies for having been unable to respond sooner to your telex or letter addressed to M. Tikly. Nevertheless, M. Tikly spent a few days in Helsinki last month and I trust he managed to discuss with you current developments for ANC Projects in Tanzania.

The NEC of the ANC has issued a statement (attached) to the effect that the ANC would phase out its projects over a period of 2 to 5 years. Our target is to phase out ANC participation in all projects within 2 years and to hand these over to the Tanzanian Government. A margin of a further 3 years has been included in the event of a major reversal in the political process in SA necessitating continued operation of the settlements.



The Task Force, established by the NEC to oversee the phasing out process, concluded the work of its first mission in May, 1991 and extracts of its report are attached for your information. As reflected, it is our intention to continue operation of the factory for the entire 2 year period but to work towards the phased commercialisation of the project. Already consultations have begun with the Furniture Factory and relevant Tanzanian Authorities to establish the feasibility of registering the company before September 1, 1991.

At the end of the phasing out period the project would be handed over, together with the rest of the complex to the Tanzanian Government. In discussions with them the Government has indicated a reluctance to become involved in our phasing out process for the time being, therefore it is not possible at this stage to ascertain which particular institution will receive the complex or the individual project within it. However it is envisaged that a Joint Working Committee will be established in the near future to deal with these and other aspects of the transition period.

As the majority of the people in the settlements are repatriated, the ANC has decided to retain, alongside the students at our various educational establishments (SOMAFCO Senior Secondary School, Vocational Training Centre, Adult Education Centre), a maximum of 100 Salaried ANC personnel. They will be responsible for running the settlements with the assistance, where required, of expatriates and an increased number of locally recruited personnel.

The Management Committee is in the process of identifying 2 members of the ANC staff of the Furniture Factory to remain during the phasing out period. It is envisaged that all other ANC personnel will repatriate and Tanzanians will be hired to fill any vacancies. We present for your consideration a proposal for a salaries budget for the remaining ANC personnel as follows :

Manager	12 months	@	\$1200.00 = 14400
Production Manager	"	"	\$ 1000.00 = 12000
Total	1991/1992		26400



This is a preliminary budget and will be reviewed as soon as the factory is in a position to support these as well as the salaries of other staff through its own earnings.

These new conditions reduce our scope for training/upgrading programmes for the ANC staff. However we believe that part of the allocation for this purpose in the 1991 budget could still be used to ensure that recruited Tanzanian personnel acquire the necessary skills to continue running the project in the post - ANC phase. We welcome your comments on this.

Naturally, it will also be necessary to review the role of the Technical Advisor, Leo Soderqvist. Your proposal is under consideration and we shall keep in contact with you over this important matter.

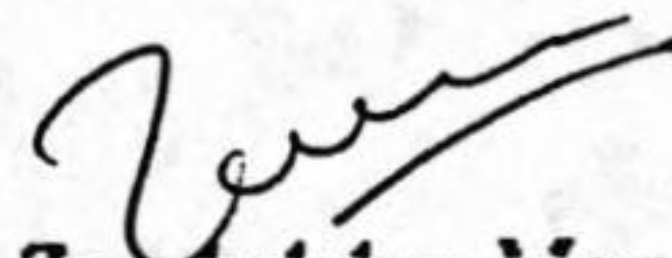
Recently a sub-committee was appointed by the Projects Management Board to recommend on the feasibility of commercialisation of the Vuyisile Mini Factory by the proposed target date of 1st September, 1991. As mentioned the sub-committee has begun consultations with the Factory and relevant Tanzanian Authorities. We further propose to appraise and audit the financial records of the factory for 1990, if available, and for the first 6 months of 1991. We therefore request ISF to submit financial statements to the ANC for the period in question.

With reference to the agreement by the ANC and ISF to jointly commission an independent evaluation of the Factory Project we urge that this take place as soon as possible. Mid-August is suggested as an opportune time if the relevant experts can be identified. This is because the evaluators report will be essential in planning for the new phase. The PMU and Factory Management have been approached to draft terms of reference, and we have proposed that some emphasis be put on identifying scenarios and options for the future. Your opinion on the TOR would be welcome. Given the time constraint it would be appreciable if you could begin to identify and process the experts for the evaluation mission now i.e prior to receipt of the draft terms.



The ANC values considerably the cooperation and assistance provided to the Vuyisile Mini Factory. As we enter a new phase in the development of our projects we trust that this cooperation will continue to strengthen.

Yours Sincerely



Zwelakhe Mankazana.

Regional Projects Coordinator



- c.c. Projects Management Board, Mazimbu.  
M. Tikly, ANC Projects, Johannesburg.  
M. Hussein, Chief Representative, Helsinki.  
L. Soderqvist, ISF, Mazimbu.  
M. Shabangu, VMFF, Mazimbu.

NATIONAL EXECUTIVE COMMITTEE  
AFRICAN NATIONAL CONGRESS  
22/04/91  
Johannesburg

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