

# FINANCE AND FUNDRAISING

## *Noting:*

- a) The 53rd National Conference Resolution acknowledged the need to enter into more radical second phase of the National Democratic Revolution towards the attainment of the National Democratic society, through the implementation of programmes to achieve radical socio-economic transformation in a scarce resources environment.
- b) The ANC funding sources through membership, donations, deployees levies, and fundraising events, as well as minimal investments remain unsustainable. This requires critical assessment and innovative funding methods. Which shall constitute effective resource mobilization aimed to efficiently implement the radical second phase of the National Democratic Revolution.
- c) The resource to renew and rebuild the organisation for success is central to ANC members' commitment. History suggests that brand loyalty and costly Public Relation (PR) exercises, ballooning of advertisement and increased election budgets need a stable transactional balance so that the organisation is able to sustain adequate liquidity to meet both short-term needs. In the probability of uncertainty in terms of future cash needs this based on volatile operating demanded cash. The organisation need to therefore maintain a larger precautionary balance to avoid the risk of experiencing a cash shortfall.
- d) The high costs persist to contribute towards building strong and campaigning structures, which are politically and ideological equipped with cadres and activists grounded within the masses and the general South African society. However, these continue to be among fundamental challenges which require further attention from conference, as it has become unsustainable.
- e) It is a reality that ANC remain a revolutionary movement that requires an independent resource that is sustainable to continue the works of the organisation. It is estimated that conference in particular, the incoming NEC need to establish a diverse source of funding to advance both NDR and ANC works for the realization of the radical socio-economic change for an estimated 5(five) year period. On the other hand, additional resources need to be raised to service ANC financial debt. These require and demand open minded approaches, taking into account the organisation's fundamental values, customs and cultures, but more importantly, the founding principles of the organisation.
- f) The Treasurer General's Finance Report to the 54th National Conference acknowledges ANC fundraising challenges, regardless of the public dependence on the "BRAND ANC". The current public expression about the ANC is that the organisation is characterized by infighting, factions, poor behavioural conduct, and ill-discipline among its ranks and file. The perception of corruption have negatively impacted the support the ANC, and this need an urgent attention to continue broaden the membership pool, support, admires, and friends that see it fit to continue support and contribute time and resources to the ANC well-being.
- g) Almost 70% (seventy) of the 53rd National Conference Resolution on finance and fundraising have been implemented, including party funding bill that makes provision for an improved funding of political parties from the fiscus. The party funding bill regulatory framework define funding models of political parties, outline areas of funding prohibition for parties either by government agencies and or foreign government, as well as foreign agencies. This legal framework is aimed to provide national interests protection from policy distortions, unscrupulous domestic and foreign tendencies manipulations. The legal framework needs to be interpreted as such and be adhered to accordingly.
- h) The effect of the subdued economic growth impacts various sectors of the country's economy, which subsequently effect the basic resource critical for ANC fundraising initiatives. The fact that the organisation is partly reliant on donor funding and fundraising strategies. Almost 65% of ANC generated revenue result from donor funding and IEC grants estimated at 17%.

- i) It is noted that operational such as personal costs, conferences, rallies and elections campaigns remain major organisational costs drivers.
  - j) The current institutional arrangement rethink and redesign of adequate strategies and approaches designed to equip the organisation to attain the objectives of the NDR, which also ensures the organisation modernise and adapt to competitive political environments based on accountability and excellence.
  - k) The 53rd national conference emphasised the need to comply with General Accepted Accounting Principles (GAAP). The financial report has demonstrated that this principle is embraced, based on the fundamentals of financial management and accounting measured against Corporate Governance Systems that comply with King Code of Governance Principles. The Treasurer General's report to the ANC 54th national conference recommit and re-emphasise adherence to financial and accounting prudence and professionalism.
  - l) The Treasurer General's report to the 54th national conference of the ANC further commits to improve on expenditures and limit rising costs, wastage and further creates a platform that ensures a culture of resources savings.
  - m) The incoming NEC need to look at the extent to which the organisation balance sheet represents the current position or organisation value. The urgent valuation of organisational assets will be able to regularise the situation currently at hand.
  - n) As part of implementing the 53rd National Conference resolution on the contribution of members ANC equitable to their income, the Progressive Citizen Forum (PCF) was established and in 2013. The PCF contributions have rapidly risen to R16 million in 2016. However, 2016/2017 recorded a decline in rates collections. Further constraints resulted from an estimated 51% failed collections amounting to R14 million per annum. These constraints need to be analyzed effectively to achieve expected collection levels.
- an organisational level given that every member is regarded as a fundraiser for the well-being of the organisation.
- 2. The incoming NEC will need to develop a comprehensive strategy for driving rigorous party investments, taking into account the existing regulatory framework. The office of the Treasurer General led by the newly elected Treasurer must continue with the already started road-shows to provinces to broaden participation of more members in these forums and other related fund raising forums.
  - 3. The incoming NEC to develop a comprehensive resource mobilisation strategy with clear targets for the term, including utilisation of other means of mobilising resources, such as investment, endowment, purchase of short-term securities, etc.
  - 4. The incoming NEC need to establish mechanisms essential to help settle long standing debts and liabilities, including a consideration to assign a responsibility of fundraising to a specific financial committee either outsourced or internally managed and monitored from the treasure general office.
  - 5. That the NEC must create a new platform similar to the Progressive Citizen Forum, which allows foreign based ANC members to participate in the life of the organisation, including contributing in the organisation's resource base. Such a structure need to be urgently institutionalized with ANC renewed organisational structures and be launched to take a formal constitutional structure format with immediate effect.
  - 6. The NEC to focus membership on founding ANC principle towards building a strong ANC structure based on politically and ideologically well-equipped cadre grounded within society. This needs to be appreciated as a long term-base relationship and an influence to society as a major marketing investment instrument of the BRAND ANC. Public Relations and marketing should be treated as a complimentary tool to cement the long standing work relations between society and the ANC.
  - 7. The ANC need to decisively attend and act to issues of corruption, ill-discipline, and misconduct across ANC membership. As this need to be considered a vehicle to improve electoral support base and strengthen the development of BRAND ANC.
  - 8. In the quest for stabilising resource mobilizations, the ANC must maintain professional management and accountability systems in accordance with the GAAP principle of accountability with an aim to become an efficient and effective organisation.

*Therefore Resolve:*

- 1. To welcome the adoption of the 53rd conference on political party funding bill that proposed a pool of donations from both private donors and the state, and undertake to implement the regulation of public funding; adhere to the prohibition of direct donations to political parties from state organs, state owned enterprises, as well as foreign governments and agencies. Further that the incoming NEC analyse and evaluate the implications of the new Political funding bill and its legal requirements against resource mobilisation mechanisms. The NEC must also find ways of managing this at

---

## REPORT OF THE 54<sup>TH</sup> NATIONAL CONFERENCE

9. The process of organisational redesign that started in 2013 must be concluded and implemented, including adoption of:
  - n** the proposed accountability and management frameworks;
  - n** appropriate institutional arrangements such as the once proposed in the Organisational Redesign document, which include, inter alia, operational and management structures;
  - n** creation of commercial property portfolio to realize the time value of existing assets;
  - n** establishment of endowment fund and asset management portfolio to build reserves;
  - n** proposed establishment of policy, political education, Heritage and charitable institute/s;
  - n** proposal on the establishment of mechanisms to facilitate and regulate other organisational commercial initiatives;
  - n** proposal to explore the establishment of an entity for the management of events and elections.
10. The incoming NEC will have to immediately professionalise a property management entity with a specific function that allows for property commercialisation and use. Further, consider either building commercial and or industrial viable properties. So as to enable organisational growth and revenue generations. The ANC assets and properties might need to be valued to establish the extent of organisation's fair values either in and or outside the country (domestic and abroad), as such undertake to register in accordance with GAAP standards and requirements.
11. The NEC need to look at the development of an application "app" mainly to focus and improve membership accessibility and allow for membership information update. This allows for individual members to continuously update data. Further proposed that monitoring mechanisms be integrated to help determine membership validity and branch awards, with an aim to encourage membership development and growth.
12. The NEC to review or revoke current resolution on full membership allocation to the branches and or provinces, due to high operational expenditure demands and expectations at ANC Head Quarters as compared to branch, region, and or provincial levels. For this condition remains unsustainable, and therefore require to revert to ANC traditional allocation format and formula(e) wherein funds are allocated according to a quarter of branch contribution. And further that it is imperative for the organisation to consider the upskilling of individual treasurers at branch or any level of the organisation to improve funds management capacities.
13. The incoming NEC in particular the Treasurer need to urgently activate and reactivate dormant bank account of all branches, so that transactional activities of funds allocations and donations are transacted and managed in accordance with acceptable standards.
14. The resolution of the 53rd Conference which directed that all membership fees be returned to branches be rescinded. Precisely because, of the high cost of managing the membership system, which renders the system unsustainable. Therefore, membership fee(s) formula prior 2012 should be restored.
15. The Treasurer General and Finance Committee need to investigate various funding models implications such as individual donations, commercial entities as guide to the organisational renewal and management of donor relations.

