Vote 6

International Relations and Cooperation

Adjusted budget summary

	2017/18			
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	**6 574 879**	**6 408 339**	**(193 334)**	**26 794**
of which:				
Current payments	5 654 721	5 470 627	(184 094)	–
Transfers and subsidies	625 545	616 305	(9 240)	–
Payments for capital assets	294 613	321 407	–	26 794
Executive authority	Minister of International Relations and Cooperation			
Accounting officer	Director-General of International Relations and Cooperation			
Website address	www.dirco.gov.za			

Vote purpose

Formulate, coordinate, implement and manage South Africa's foreign policy and international relations programmes.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2017/18 as published in the 2017 ENE	Achieved in the first six months of 2017/18 (April to September)	Changed target for 2017/18
Number of structured bilateral mechanisms to promote national priorities (African Agenda and Agenda of the South) per year	International Relations	Outcome 11: Create a better South Africa, a better Africa and a better world	26[1]	3	–
Number of high-level engagements coordinated to promote national priorities (African Agenda and Agenda of the South) per year	International Relations		40	22	–
Number of economic diplomacy initiatives undertaken to increase growth: - Trade and investment seminars - Engagements with chambers of commerce	International Relations		 112 126	 28 26	–
Number of tourism promotional events hosted per year	International Relations		60	30	–
Number of bilateral meetings held with targeted government ministries and high level potential investors per year	International Relations		70[1]	34	–
Number of African Union (AU) structures and processes used to promote peace and stability, socioeconomic development, good governance and democracy on the continent per year	International Cooperation		2[1]	2	–
Number of New Partnership for Africa's Development (NEPAD) summits, working group meetings and processes supported with substance and logistics to enhance socioeconomic development on the continent per year	International Cooperation		2	–	–
Number of SADC structures and processes supported with substance and logistics to promote peace and stability, socioeconomic development, good governance, democracy and regional integration per year	International Cooperation		7[1]	6	–
Number of multilateral structures and processes to strengthen outcomes to meet the needs of South Africa, Africa and developing countries per year	International Cooperation		20[1]	10	–
Percentage of requests for protocol services responded to per year	Public Diplomacy and Protocol Services		100%	100% (196)	–
Percentage of requests for public diplomacy services responded to per year	Public Diplomacy and Protocol Services		100%	100% (122)	–

1. Targets changed to realign with the department's 2017/18 annual performance plan, which was finalised after the 2017 ENE had been published.

Mid-year progress

In the first six months of 2017/18, the department continued to advance national priorities through high-level visits and structural bilateral engagements. Targets for the number of bilateral meetings held with targeted government ministries and high-level potential investors; the number of structural bilateral mechanisms to promote national priorities; and the number of economic diplomacy initiatives undertaken to increase growth, trade and investment seminars, and engagements with chambers of commerce were not achieved mainly due to the unavailability of stakeholders. These meetings, mechanisms and initiatives have been rescheduled for the third and fourth quarters.

The department has already achieved its target on the number of African Union structures and processes used to promote peace and stability, socioeconomic development, good governance and democracy on the continent as these were planned for the first half of the year.

The target for the number of New Partnership for Africa's Development summits and working group meetings was not met because this target is set at head of state level. These meetings are being held, but at senior official level, and will continue to be held in the second half of the year.

During August, South Africa assumed the chairpersonship of the Southern African Development Community, following the conclusion of the 37th Southern African Development Community Summit hosted at the OR Tambo building.

The department met its target for requests for public diplomacy services as all requests were responded to timeously.

Adjusted Estimates of National Expenditure 2017

Programme	2017/18							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Administration	1 556 613	–	–	–	–	–	–	1 556 613
International Relations	3 568 901	–	–	46 688	(145 246)	–	(98 558)	3 470 343
International Cooperation	565 440	–	–	(63 263)	(12 054)	–	(75 317)	490 123
Public Diplomacy and Protocol Services	266 085	–	–	16 575	–	–	16 575	282 660
International Transfers	617 840	–	–	–	(9 240)	–	(9 240)	608 600
Total	**6 574 879**	**–**	**–**	**–**	**(166 540)**	**–**	**(166 540)**	**6 408 339**
Economic classification								
Current payments	**5 654 721**	**–**	**–**	**(30 788)**	**(153 306)**	**–**	**(184 094)**	**5 470 627**
Compensation of employees	2 914 027	–	–	108 000	–	–	108 000	3 022 027
Goods and services	2 685 409	–	–	(166 237)	(153 306)	–	(319 543)	2 365 866
Interest and rent on land	55 285	–	–	27 449	–	–	27 449	82 734
Transfers and subsidies	**625 545**	**–**	**–**	**–**	**(9 240)**	**–**	**(9 240)**	**616 305**
Departmental agencies and accounts	31 483	–	–	–	(9 240)	–	(9 240)	22 243
Foreign governments and international organisations	586 357	–	–	–	–	–	–	586 357
Households	7 705	–	–	–	–	–	–	7 705
Payments for capital assets	**294 613**	**–**	**–**	**30 788**	**(3 994)**	**–**	**26 794**	**321 407**
Buildings and other fixed structures	250 322	–	–	3 326	–	–	3 326	253 648
Machinery and equipment	44 291	–	–	27 462	(3 994)	–	23 468	67 759
Total	**6 574 879**	**–**	**–**	**–**	**(166 540)**	**–**	**(166 540)**	**6 408 339**

Programme 1: Administration

Subprogramme R thousand	2017/18 Main appropriation	Adjustments appropriation Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Ministry	7 286	–	–	–	–	–	–	7 286
Departmental Management	17 734	–	–	(3 500)	–	–	(3 500)	14 234
Audit Services	21 603	–	–	2 450	–	–	2 450	24 053
Financial Management	161 301	–	–	27 150	–	–	27 150	188 451
Corporate Services	686 190	–	–	(3 420)	–	–	(3 420)	682 770
Diplomatic Training, Research and Development	81 952	–	–	(17 010)	–	–	(17 010)	64 942
Foreign Fixed Assets Management	243 490	–	–	–	–	–	–	243 490
Office Accommodation	337 057	–	–	(5 670)	–	–	(5 670)	331 387
Total	**1 556 613**	**–**	**–**	**–**	**–**	**–**	**–**	**1 556 613**
Economic classification								
Current payments	**1 281 391**	**–**	**–**	**(31 326)**	**–**	**–**	**(31 326)**	**1 250 065**
Compensation of employees	437 201	–	–	–	–	–	–	437 201
Goods and services	788 905	–	–	(58 775)	–	–	(58 775)	730 130
Interest and rent on land	55 285	–	–	27 449	–	–	27 449	82 734
Transfers and subsidies	**1 476**	**–**	**–**	**–**	**–**	**–**	**–**	**1 476**
Households	1 476	–	–	–	–	–	–	1 476
Payments for capital assets	**273 746**	**–**	**–**	**31 326**	**–**	**–**	**31 326**	**305 072**
Buildings and other fixed structures	250 322	–	–	3 326	–	–	3 326	253 648
Machinery and equipment	23 424	–	–	28 000	–	–	28 000	51 424
Total	**1 556 613**	**–**	**–**	**–**	**–**	**–**	**–**	**1 556 613**

Programme 2: International Relations

Subprogramme R thousand	2017/18 Main appropriation	Adjustments appropriation Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Africa	1 092 359	–	–	21 420	(47 386)	–	(25 966)	1 066 393
Asia and Middle East	926 384	–	–	7 668	(35 603)	–	(27 935)	898 449
Americas and Caribbean	605 831	–	–	(23 313)	(30 649)	–	(53 962)	551 869
Europe	944 327	–	–	40 913	(31 608)	–	9 305	953 632
Total	**3 568 901**	**–**	**–**	**46 688**	**(145 246)**	**–**	**(98 558)**	**3 470 343**
Economic classification								
Current payments	**3 545 730**	**–**	**–**	**46 688**	**(141 252)**	**–**	**(94 564)**	**3 451 166**
Compensation of employees	1 967 844	–	–	123 908	–	–	123 908	2 091 752
Goods and services	1 577 886	–	–	(77 220)	(141 252)	–	(218 472)	1 359 414
Transfers and subsidies	**5 173**	**–**	**–**	**–**	**–**	**–**	**–**	**5 173**
Households	5 173	–	–	–	–	–	–	5 173
Payments for capital assets	**17 998**	**–**	**–**	**–**	**(3 994)**	**–**	**(3 994)**	**14 004**
Machinery and equipment	17 998	–	–	–	(3 994)	–	(3 994)	14 004
Total	**3 568 901**	**–**	**–**	**46 688**	**(145 246)**	**–**	**(98 558)**	**3 470 343**

Programme 3: International Cooperation

Subprogramme R thousand	2017/18 Main appropriation	Adjustments appropriation Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
Global System of Governance	298 933	–	–	32 100	–	–	32 100	331 033
Continental Cooperation	175 997	–	–	(83 563)	(12 054)	–	(95 617)	80 380
South-South Cooperation	7 175	–	–	(2 000)	–	–	(2 000)	5 175
North-South Dialogue	83 335	–	–	(9 800)	–	–	(9 800)	73 535
Total	**565 440**	**–**	**–**	**(63 263)**	**(12 054)**	**–**	**(75 317)**	**490 123**
Economic classification								
Current payments	**562 984**	**–**	**–**	**(63 263)**	**(12 054)**	**–**	**(75 317)**	**487 667**
Compensation of employees	355 309	–	–	(32 483)	–	–	(32 483)	322 826
Goods and services	207 675	–	–	(30 780)	(12 054)	–	(42 834)	164 841
Transfers and subsidies	**653**	**–**	**–**	**–**	**–**	**–**	**–**	**653**
Households	653	–	–	–	–	–	–	653
Payments for capital assets	**1 803**	**–**	**–**	**–**	**–**	**–**	**–**	**1 803**
Machinery and equipment	1 803	–	–	–	–	–	–	1 803
Total	**565 440**	**–**	**–**	**(63 263)**	**(12 054)**	**–**	**(75 317)**	**490 123**

Programme 4: Public Diplomacy and Protocol Services

Subprogramme R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
	2017/18	Adjustments appropriation						
Public Diplomacy	75 304	–	–	3 161	–	–	3 161	78 465
Protocol Services	190 781	–	–	13 414	–	–	13 414	204 195
Total	**266 085**	**–**	**–**	**16 575**	**–**	**–**	**16 575**	**282 660**
Economic classification								
Current payments	**264 616**	**–**	**–**	**17 113**	**–**	**–**	**17 113**	**281 729**
Compensation of employees	153 673	–	–	16 575	–	–	16 575	170 248
Goods and services	110 943	–	–	538	–	–	538	111 481
Transfers and subsidies	**403**	**–**	**–**	**–**	**–**	**–**	**–**	**403**
Households	403	–	–	–	–	–	–	403
Payments for capital assets	**1 066**	**–**	**–**	**(538)**	**–**	**–**	**(538)**	**528**
Machinery and equipment	1 066	–	–	(538)	–	–	(538)	528
Total	**266 085**	**–**	**–**	**16 575**	**–**	**–**	**16 575**	**282 660**

Programme 5: International Transfers

Subprogramme R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
	2017/18	Adjustments appropriation						
Departmental Agencies	31 483	–	–	–	(9 240)	–	(9 240)	22 243
Membership Contribution	586 357	–	–	–	–	–	–	586 357
Total	**617 840**	**–**	**–**	**–**	**(9 240)**	**–**	**(9 240)**	**608 600**
Economic classification								
Transfers and subsidies	**617 840**	**–**	**–**	**–**	**(9 240)**	**–**	**(9 240)**	**608 600**
Departmental agencies and accounts	31 483	–	–	–	(9 240)	–	(9 240)	22 243
Foreign governments and international organisations	586 357	–	–	–	–	–	–	586 357
Total	**617 840**	**–**	**–**	**–**	**(9 240)**	**–**	**(9 240)**	**608 600**

Details of adjustments to Estimates of National Expenditure 2017

Virements and shifts within votes

Programmes
1. Administration
2. International Relations
3. International Cooperation
4. Public Diplomacy and Protocol Services
5. International Transfers

FROM: Programme by economic classification	Motivation	R thousand	TO: Programme by economic classification	Motivation	R thousand
Programme 1		**(65 449)**	**Programme 1**		**65 449**
Goods and services	Reclassification of funds incorrectly classified in the 2017 ENE	(28 000)	Machinery and equipment	ICT services	28 000
	Reclassification of funds incorrectly classified in the 2017 ENE	(20 775)	Interest and rent on land	Head office public-private partnership unitary payments	20 775
	Reclassification of funds incorrectly classified in the 2017 ENE	(10 000)	Buildings and other fixed structures	Construction and refurbishment of office accommodation	10 000
Buildings and other fixed structures	Reclassification of funds incorrectly classified in the 2017 ENE[1]	(6 674)	Interest and rent on land	Head office public-private partnership unitary payments	6 674
Shifts within the programme as a percentage of the programme budget		6.2%			
Virements to other programmes as a percentage of the programme budget		**0.0%**			

FROM:			TO:		
Programme by economic classification	**Motivation**	**R thousand**	**Programme by economic classification**	**Motivation**	**R thousand**
Programme 2		**(77 220)**	**Programme 2**		**77 220**
Goods and services	Cost containment measures effected on operating leases, and travel and subsistence	(14 115)	Compensation of employees	Personnel remuneration[1]	14 115
	Cost containment measures effected on operating leases, and travel and subsistence	(63 105)	Compensation of employees	Personnel remuneration[1]	63 105
Shifts within the programme as a percentage of the programme budget		2.2%			
Virements to other programmes as a percentage of the programme budget		**0.0%**			
Programme 3		**(63 263)**	**Programme 2**		**46 688**
Goods and services	Cost containment measures effected on operating leases, and travel and subsistence	(30 780)	Compensation of employees	Personnel remuneration[1]	30 780
Compensation of employees	Lower than anticipated expenditure due to exchange rate fluctuations	(15 908)	Compensation of employees	Personnel remuneration	15 908
			Programme 4		**16 575**
	Lower than anticipated expenditure due to exchange rate fluctuations	(16 575)	Compensation of employees	Personnel remuneration	16 575
Shifts within the programme as a percentage of the programme budget		5.7%			
Virements to other programmes as a percentage of the programme budget		**11.2%[2]**			
Programme 4		**(538)**	**Programme 4**		**538**
Machinery and equipment	Audiovisual equipment[1]	(538)	Goods and services	South African Development Community summit	538
Shifts within the programme as a percentage of the programme budget		2.8%			
Virements to other programmes as a percentage of the programme budget		**0.0%**			
Total		**(206 470)**			**206 470**

1. National Treasury approval has been obtained.
2. Only the legislature may approve this virement.

Declared unspent funds – R166.540 million

Programme 2: International Relations

R145.246 million in unspent funds has been declared on operating leases and property payments due to exchange rate fluctuations.

Programme 3: International Cooperation

R12.054 million in unspent funds has been declared on operating leases, property payments, and travel and subsistence due to exchange rate fluctuations.

Programme 5: International Transfers

R9.240 million in unspent funds has been declared on the South African Development Partnership Agency due to delays in finalising the agreement with the African Renaissance and International Cooperation Fund.

Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Programme	**2016/17 Audited outcome**					**2017/18 Actual expenditure**			
R thousand	**Adjusted appropriation**	**Apr 16 - Sep 16**	**Apr 16 - Sep 16 % of adjusted appropriation**	**Apr 16 - Mar 17**	**Apr 16 - Mar 17 % of adjusted appropriation**	**Adjusted appropriation**	**Adjusted appropriation/ Total (%)**	**Apr 17 - Sep 17**	**Apr 17 - Sep 17 % of adjusted appropriation**
Administration	1 551 563	618 379	39.9	1 544 797	99.6	1 556 613	24.3	564 133	36.2
International Relations	3 743 869	1 961 087	52.4	3 742 891	100.0	3 470 343	54.2	1 778 701	51.3
International Cooperation	481 950	231 380	48.0	462 943	96.1	490 123	7.6	225 900	46.1
Public Diplomacy and Protocol Services	272 860	120 565	44.2	271 913	99.7	282 660	4.4	125 454	44.4
International Transfers	788 409	221 523	28.1	822 386	104.3	608 600	9.5	159 578	26.2
Total	**6 838 651**	**3 152 934**	**46.1**	**6 844 930**	**100.1**	**6 408 339**	**100.0**	**2 853 766**	**44.5**

Economic classification	2016/17 Audited outcome					2017/18 Actual expenditure			
R thousand	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation
Current payments	**5 769 570**	**2 831 073**	**49.1**	**5 747 716**	**99.6**	**5 470 627**	**85.4**	**2 660 806**	**48.6**
Compensation of employees	3 071 372	1 531 146	49.9	3 115 625	101.4	3 022 027	47.2	1 486 214	49.2
Goods and services	2 629 918	1 271 477	48.3	2 563 811	97.5	2 365 866	36.9	1 133 225	47.9
Interest and rent on land	68 280	28 450	41.7	68 280	100.0	82 734	1.3	41 367	50.0
Transfers and subsidies	**795 752**	**221 270**	**27.8**	**828 585**	**104.1**	**616 305**	**9.6**	**164 547**	**26.7**
Departmental agencies and accounts	8 831	31	0.4	31	0.4	22 243	0.3	22 243	100.0
Higher education institutions	779 578	217 814	27.9	822 355	105.5	–	0.0	137 335	0.0
Foreign governments and international organisations	–	–	–	–	–	586 357	9.1	–	0.0
Households	7 343	3 425	46.6	6 199	84.4	7 705	0.1	4 969	64.5
Payments for capital assets	**273 329**	**100 591**	**36.8**	**268 629**	**98.3**	**321 407**	**5.0**	**28 413**	**8.8**
Buildings and other fixed structures	215 153	87 283	40.6	215 153	100.0	253 648	4.0	24 075	9.5
Machinery and equipment	58 176	13 308	22.9	53 476	91.9	67 759	1.1	4 338	6.4
Total	**6 838 651**	**3 152 934**	**46.1**	**6 844 930**	**100.1**	**6 408 339**	**100.0**	**2 853 766**	**44.5**

Expenditure trends for the first six months of 2017/18

Total expenditure in 2016/17 was R6.8 billion, or 100.1 per cent of the 2016/17 adjusted appropriation. Expenditure in the first six months of 2017/18 was R2.9 billion, or 44.5 per cent of the adjusted appropriation of R6.4 billion for the year. In comparison, mid-year expenditure in 2016/17 was R3.2 billion, or 46.1 per cent of the 2016/17 adjusted appropriation. Compared to the first six months of 2016/17, expenditure over the same period in 2017/18 decreased by R299.2 million, or 9.5 per cent. This is mainly due to exchange rate fluctuations, the completion of construction projects, and a revision of operating lease payment terms for some missions.

Departmental receipts

	2016/17					2017/18				
		Audited outcome				Actual receipts				
R thousand	Adjusted estimate	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Ar 16 - Mar 17 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
Departmental receipts	**24 340**	**19 354**	**79.5**	**29 000**	**119.1**	**38 464**	**38 464**	**100.0**	**17 172**	**44.6**
Sales of goods and services produced by department	1 077	667	61.9	972	90.3	1 122	990	2.6	692	69.9
Sales of scrap, waste, arms and other used current goods	–	–	–	–	–	–	10	0.0	10	100.0
Fines, penalties and forfeits	–	–	–	–	–	–	4	0.0	3	75.0
Interest, dividends and rent on land	1 827	384	21.0	694	38.0	1 918	653	1.7	325	49.8
Sales of capital assets	6 097	2 617	42.9	4 357	71.5	6 402	5 071	13.2	1 233	24.3
Transactions in financial assets and liabilities	15 339	15 686	102.3	22 977	149.8	29 022	31 736	82.5	14 909	47.0
Total	**24 340**	**19 354**	**79.5**	**29 000**	**119.1**	**38 464**	**38 464**	**100.0**	**17 172**	**44.6**

Revenue trends for the first six months of 2017/18

Revenue in the first six months of 2017/18 was R17.2 million, or 44.6 per cent of the adjusted revenue estimate of R38.5 million for the year. In comparison, mid-year revenue in 2016/17 was R19.4 million, or 79.5 per cent of the 2016/17 adjusted estimate. Compared to the first six months of 2016/17, revenue over the same period in 2017/18 decreased by R2.2 million, or 11.3 per cent. This is mainly due to the department disposing of fewer assets than in the previous financial year.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

	2017/18							
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	Adjusted appropriation
International Transfers								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	**9 240**	**–**	**–**	**–**	**(9 240)**	**–**	**(9 240)**	**–**
South African Development Partnership Agency	9 240	–	–	–	(9 240)	–	(9 240)	–