

Vote 3

Foreign Affairs

2007/08				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	3 856 363	4 119 063	–	262 700
<i>of which:</i>				
Current payments	2 772 176	2 681 061	(91 115)	–
Transfers and subsidies	640 153	666 835	–	26 682
Payments for capital assets	444 034	771 167	–	327 133
Executive authority	Minister of Foreign Affairs			
Accounting officer	Director-General of Foreign Affairs			

Aim

The Department of Foreign Affairs formulates, co-ordinates, implements and manages South Africa's foreign policy and international relations programmes throughout the world.

Adjusted Estimates of National Expenditure 2007

Table 3.1: Adjusted Estimates

Programme		2007/08					
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other Adjustments		
1. Administration	810 324	245 700	–	134 657	–	380 357	1 190 681
2. Foreign Relations	2 288 463	–	–	(145 052)	–	(145 052)	2 143 411
3. Public Diplomacy and Protocol	129 319	–	–	10 395	–	10 395	139 714
4. International Transfers	628 257	17 000	–	–	–	17 000	645 257
Total	3 856 363	262 700	–	–	–	262 700	4 119 063
Economic classification							
Current payments	2 772 176	–	–	(91 115)	–	(91 115)	2 681 061
Compensation of employees	1 478 959	–	–	(166 124)	–	(166 124)	1 312 835
Goods and services	1 293 217	–	–	75 009	–	75 009	1 368 226
Transfers and subsidies	640 153	17 000	–	9 682	–	26 682	666 835
Provinces and municipalities	11 896	–	–	9 682	–	9 682	21 578
Departmental agencies and accounts	300 000	–	–	–	–	–	300 000
Foreign governments and international organisations	328 257	17 000	–	–	–	17 000	345 257
Payments for capital assets	444 034	245 700	–	81 433	–	327 133	771 167
Buildings and other fixed structures	325 294	245 700	–	100 000	–	345 700	670 994
Machinery and equipment	118 740	–	–	(18 567)	–	(18 567)	100 173
Total	3 856 363	262 700	–	–	–	262 700	4 119 063

Details of adjustments to Estimates of National Expenditure 2007

Roll-overs – R262.7 million

Programme 1: Administration

R245.7 million has been rolled over for: the maintenance of foreign properties in Lilongwe, Sao Paulo, Windhoek and Brussels (R11 million); partially funding the acquisition of the Brussels chancery and refurbishing a building for the UN (R34.7 million); and the early works agreement for the head office campus (R200 million).

Programme 4: International Relations

R17 million has been rolled over for humanitarian aid in the Republic of Guinea (R15 million) and Djibouti (R2 million).

Virements

Table 3.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
1. Administration	(25 108)	159 765	
Current payments	–	59 765	
Compensation of employees	–	4 703	Funds shifted from compensation of employees (in programme 2) will be used for 13 posts, mainly at senior level, created for the human capital development unit, the Ministry, and corporate services.
Goods and services	–	55 062	R25.108 million shifted from machinery and equipment (in this programme) will be used for maintenance of the ICT system. Funds shifted from compensation of employees (in programme 2) will be used for ministerial commitments in Africa (R10 million) and repositioning the Foreign Service Institute (R19.954 million) including redesigning training curricula, capacitating the research function and upgrading infrastructure.
Payments for capital assets	(25 108)	100 000	
Buildings and other fixed structures	–	100 000	Funds shifted from goods and services (in programme 2) will be used to extend the early works agreement for the new head office campus.
Machinery and equipment	(25 108)	–	Incorrectly classified funds will be shifted to goods and services.
2. Foreign Relations	(172 015)	26 963	
Current payments	(172 015)	19 947	
Compensation of employees	(172 015)	–	Savings due to approximately 199 posts vacant for the full year and 250 posts vacant for part of the year, in missions and head office, have been shifted to compensation of employees (R4.703 million) and goods and services (R29.954 million) in programme 1, goods and services (R119.947 million) and machinery and equipment (R6.541 million) in programme 2, and compensation of employees (R1.188 million) and transfers and subsidies (R9.682 million) in programme 3.
Goods and services	–	19 947	R119.947 million shifted from compensation of employees will be used for: opening 3 new missions in Africa (R37 million), rental increases in missions in Asia (R39 million) and the Middle East (R1.5 million), humanitarian assistance in Bolivia and Haiti (R5 million), Sudan peace keeping initiatives (R4.2 million), and for the expansion of existing low scale missions and head office activities (R33.247 million). Savings of R100 million due to favourable movements in exchange rates have been shifted to buildings and other fixed structures in programme 1.
Payments for capital assets	–	7 016	
Machinery and equipment	–	7 016	Funds shifted from compensation of employees (in this programme) and machinery and equipment (in programme 3) will be used to replace furniture and equipment in the missions.

Table 3.2: Details on virements per programme and economic classification (continued)

Programme / Economic classification	R thousand		Motivation
	From	To	
3. Public Diplomacy and Protocol	(475)	10 870	
Current payments	–	1 188	
Compensation of employees	–	1 188	Funds shifted from compensation of employees (in programme 2) will be used to upgrade posts.
Transfers and Subsidies	–	9 682	
Provinces and municipalities	–	9 682	Funds shifted from compensation of employees (in programme 2) will be used for municipal rates in new embassies and increased rates in existing embassies.
Payments for capital assets	(475)	–	
Machinery and equipment	(475)	–	Savings due to equipment that was budgeted for but is no longer required have been shifted to machinery and equipment in programme 2.
Total for Vote	(197 598)	197 598	

Expenditure 2006/07 and preliminary expenditure 2007/08

Table 3.3: Expenditure trends

Programme	2006/07				2007/08		
	Expenditure outcome				Preliminary expenditure		
	Adjusted appropriation	Apr 2006 - Sep 2006	Apr 2006 - Mar 2007	Apr 06 - Mar 07 % of adjusted appropriation	Adjusted appropriation	Apr 2007 - Sep 2007	% change 06/07 - 07/08 Apr - Sep
R thousand							
1. Administration	671 551	182 054	537 101	80.0	1 190 681	424 759	133.3
2. Foreign Relations	1 790 039	812 834	1 887 010	105.4	2 143 411	914 466	12.5
3. Public Diplomacy and Protocol	116 029	45 700	118 418	102.1	139 714	47 444	3.8
4. International Transfers	464 530	189 726	402 151	86.6	645 257	156 392	(17.6)
Total	3 042 149	1 230 314	2 944 680	96.8	4 119 063	1 543 061	25.4
Current payments	2 246 586	966 238	2 278 689	101.4	2 681 061	1 192 143	23.4
Compensation of employees	1 180 869	515 479	1 136 451	96.2	1 312 835	593 481	15.1
Goods and services	1 065 717	450 667	1 142 119	107.2	1 368 226	595 519	32.1
Financial transactions in assets and liabilities	–	92	119	–	–	3 143	3316.3
Transfers and subsidies	477 668	233 553	450 584	94.3	666 835	167 251	(28.4)
Provinces and municipalities	13 138	2 936	20 649	157.2	21 578	2 692	(8.3)
Departmental agencies and accounts	150 000	100 000	150 000	100.0	300 000	–	(100.0)
Public corporations and private enterprises	–	3 799	10 588	–	–	2 968	(21.9)
Foreign governments and international organisations	314 530	119 465	252 151	80.2	345 257	158 319	32.5
Households	–	7 353	17 196	–	–	3 272	(55.5)
Payments for capital assets	317 895	30 523	215 407	67.8	771 167	183 667	501.7
Buildings and other fixed structures	261 000	462	119 398	45.7	670 994	158 791	34270.3
Machinery and equipment	56 895	29 094	92 573	162.7	100 173	17 075	(41.3)
Software and other intangible assets	–	967	3 436	–	–	2 437	152.0
Total	3 042 149	1 230 314	2 944 680	96.8	4 119 063	1 543 061	25.4

Selected expenditure trends for the first half of 2007/08

Expenditure in the first six months of 2007/08 was R1.5 billion or 37.4 per cent of the adjusted appropriation of R4.1 billion for the year as a whole. Expenditure in the first six months of 2007/08 increased by 25.4 per cent compared to the first six months of 2006/07.

The main increase compared to 2006/07 is related to new projects, namely spending on the early works agreement for the construction of the head office campus and the expansion and opening of new missions, and the early payment of contributions to international organisations.

Expenditure in 2006/07 was 96.8 per cent of the adjusted appropriation for that year.

Changes to transfers and subsidies

Table 3.4: Summary of changes to transfers and subsidies per programme

R thousand	2007/08						Adjusted appropriation
	Main appropriation	Additional appropriation				Total additional appropriation	
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
3. Public Diplomacy and Protocol	11 896	-	-	9 682	-	9 682	21 578
Provinces and municipalities							
Municipalities							
Current	11 896	-	-	9 682	-	9 682	21 578
Municipal rates and taxes for diplomatic missions	11 896	-	-	9 682	-	9 682	21 578
4. International Transfers	628 257	17 000	-	-	-	17 000	645 257
Foreign governments and international organisations							
Current	328 257	17 000	-	-	-	17 000	345 257
Humanitarian Aid	15 326	17 000	-	-	-	17 000	32 326