

Vote 3

Foreign Affairs

Adjusted budget summary

2008/09				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	4 340 708	5 569 787	-	1 229 079
<i>of which:</i>				
Current payments	2 980 867	3 244 427	-	263 560
Transfers and subsidies	767 578	1 067 578	-	300 000
Payments for capital assets	592 263	1 257 782	-	665 519
Executive authority	Minister of Foreign Affairs			
Accounting officer	Director-General of Foreign Affairs			

Aim

The aim of the department of Foreign Affairs is to formulate, co-ordinate, implement and manage South Africa's foreign policy and international relations programmes.

Mid-year performance status

Indicators	Annual performance	
	Projected for 2008/09 as published in the 2008 ENE	Achieved in the first six months of 2008/09 (April to September)
As published in the 2008 ENE		
Total number of diplomatic missions abroad	127	121
- Africa	48	45
- Asia and Middle East	34	31
- Americas and Caribbean	18	18
- Europe	27	27
Number of bilateral agreements signed with foreign countries	59	20
Number of countries assisted with post-conflict reconstruction and development	12	3
Number of countries assisted in election process	3	3
Number of incoming and outgoing visits facilitated by state protocol	333	123
Number of people facilitated through the VIP lounges at international airports (OR Tambo and Cape Town)	21 780	13 377
Number of international conferences hosted by South Africa	8	3
Total number of foreign missions in South Africa	288	285
Amount in membership fees for international organisations	R131.9 million	R25 million

Adjusted Estimates of National Expenditure 2008

Table 3.1: Adjusted estimates

Programme	2008/09						
	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
R thousand							
1. Administration	1 049 913	500 000	-	-	165 519	665 519	1 715 432
2. Foreign Relations	2 410 711	-	235 000	(12 000)	28 560	251 560	2 662 271
3. Public Diplomacy and Protocol	147 258	-	-	12 000	-	12 000	159 258
4. International Transfers	732 826	-	300 000	-	-	300 000	1 032 826
Departmental Total	4 340 708	500 000	535 000	-	194 079	1 229 079	5 569 787
Economic classification							
Current payments	2 980 867	-	235 000	-	28 560	263 560	3 244 427
Compensation of employees	1 456 935	-	-	(27 000)	28 560	1 560	1 458 495
Goods and services	1 523 932	-	-	27 000	-	27 000	1 550 932
Financial transactions in assets and liabilities	-	-	235 000	-	-	235 000	235 000
Transfers and subsidies	767 578	-	300 000	-	-	300 000	1 067 578
Provinces and municipalities	22 743	-	-	-	-	-	22 743
Departmental agencies and accounts	398 925	-	300 000	-	-	300 000	698 925
Public corporations and private enterprises	12 009	-	-	-	-	-	12 009
Foreign governments and international organisations	333 901	-	-	-	-	-	333 901
Payments for capital assets	592 263	500 000	-	-	165 519	665 519	1 257 782
Buildings and other fixed structures	486 681	500 000	-	-	165 519	665 519	1 152 200
Machinery and equipment	105 582	-	-	-	-	-	105 582
Total	4 340 708	500 000	535 000	-	194 079	1 229 079	5 569 787

Details of adjustments to Estimates of National Expenditure 2008

Roll-over of funds – R500 million

Programme 1: Administration

R500 million has been rolled over for the head office campus (early works agreement), which was extended because financial close had not been reached. The funds cover the payment certificates for construction work done from April to July 2008.

Unforeseeable and unavoidable expenditure – R535 million

Programme 2: Foreign Relations

R235 million has been allocated for the higher foreign exchange rate.

Programme 4: International Transfers

R300 million has been allocated for the recapitalisation of the African Renaissance and International Cooperation Fund for agricultural inputs for Zimbabwe.

Virements

Table 3.2: Virements

Programme / Economic classification	R thousand		Details and motivation
	From	To	
2. Foreign Relations	(27 000)	15 000	
Current payments	(27 000)	15 000	
Compensation of employees	(27 000)	-	Due to space constraints, unfilled vacant posts will be filled when the department moves to the new head office building: R15 million to goods and services in this programme R12 million to goods and services in programme 3
Goods and services	-	15 000	From compensation of employees in this programme for capacity building in foreign missions
3. Public Diplomacy and Protocol	-	12 000	
Current payments	-	12 000	
Goods and services	-	12 000	From compensation of employees in programme 2 for increased state visits
Total for Vote	(27 000)	27 000	

Other adjustments – R194.079 million

Adjustments due to significant and unforeseeable economic and financial events

Programme 2: Foreign Relations

Additional funding of R28.56 million has been allocated to cover costs related to the higher than budgeted wage increase made by the Minister for Public Service and Administration.

Self-financing expenditure

Programme 1: Administration

R165.519 million will realise from the private partner in the PPP agreement for part payment for the early works construction on the department's new head office campus. The funds will be surrendered into the National Revenue Fund.

Expenditure 2007/08 and preliminary expenditure 2008/09

Table 3.3: Expenditure trends

Programme	2007/08					2008/09		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 2007 - Sep 2007	Apr 07 – Sep 07 % of adjusted appropriation	Apr 2007 - Mar 2008	Apr 07 – Mar 08 % of adjusted appropriation	Adjusted appropriation	Apr 2008 - Sep 2008	Apr 08 – Sep 08 % of adjusted appropriation
1. Administration	1 190 681	424 759	35.7	1 181 310	99.2	1 715 432	965 695	56.3
2. Foreign Relations	2 143 411	914 466	42.7	2 122 820	99.0	2 662 271	1 248 904	46.9
3. Public Diplomacy and Protocol	139 714	47 444	34.0	141 547	101.3	159 258	62 336	39.1
4. International Transfers	645 257	156 392	24.2	624 056	96.7	1 032 826	61 848	6.0
Total	4 119 063	1 543 061	37.5	4 069 733	98.8	5 569 787	2 338 783	42.0

Table 3.3: Expenditure trends (continued)

R thousand	2007/08					2008/09		
	Expenditure outcome					Preliminary expenditure		
	Adjusted appropriation	Apr 2007 - Sep 2007	Apr 07 - Sep 07 % of adjusted appropriation	Apr 2007 - Mar 2008	Apr 07 - Mar 08 % of adjusted appropriation	Adjusted appropriation	Apr 2008 - Sep 2008	Apr 08 - Sep 08 % of adjusted appropriation
Economic classification								
Current payments	2 681 061	1 192 143	44.5	2 674 430	99.8	3 244 427	1 508 467	46.5
Compensation of employees	1 312 835	593 481	45.2	1 293 159	98.5	1 458 495	718 663	49.3
Goods and services	1 368 226	595 519	43.5	1 381 010	100.9	1 550 932	789 804	50.9
Financial transactions in assets and liabilities	-	3 143	-	261	-	235 000	5 750	2.4
Transfers and subsidies	666 835	167 251	25.1	666 865	100.0	1 067 578	185 938	17.4
Provinces and municipalities	21 578	2 692	12.5	23 257	107.8	22 743	4 221	18.6
Departmental agencies and accounts	300 000	-	-	300 000	100.0	698 925	29 060	4.2
Public corporations and private enterprises	-	2 968	-	13 398	-	12 009	5 081	42.3
Foreign governments and international organisations	345 257	158 319	45.9	324 056	93.9	333 901	143 341	42.9
Households	-	3 272	-	6 154	-	-	4 235	-
Payments for capital assets	771 167	183 667	23.8	728 438	94.5	1 257 782	638 628	50.8
Buildings and other fixed structures	670 994	158 791	23.7	649 878	96.9	1 152 200	578 866	50.2
Machinery and equipment	100 173	17 075	17.0	61 442	61.3	105 582	59 762	56.6
Land and subsoil assets	-	5 364	-	16 271	-	-	-	-
Total	4 119 063	1 543 061	37.5	4 069 733	98.8	5 569 787	2 338 783	42.0

Selected expenditure trends for the first half of 2008/09

Expenditure in the first six months of 2008/09 was R2.339 billion, or 42.0 per cent of the adjusted appropriation of R5.570 billion for the year as a whole. Expenditure in the first six months of 2008/09 increased by R790 million, or 51.2 per cent compared to spending in the first six months of 2007/08 which amounted to R1.543 billion, or 37.5 per cent of the 2007/08 adjusted appropriation.

The main increase compared to 2007/08 relates to payments made towards the construction of the new head office campus.

Expenditure for 2007/08 was 98.8 per cent of the adjusted appropriation for that year.

Departmental receipts

Table 3.4: Receipts

R thousand	2008/09			
	Budget estimate	Adjusted estimate	Actual receipts Apr 08 - Sep 08	% of Adjusted estimate
Departmental receipts				
Sales of goods and services other than capital assets	709	2 464	285	11.6
Interest, dividends and rent on land	5 343	5 343	981	18.4
Sales of capital assets	1 981	2 704	1 224	45.3
Financial transactions in assets and liabilities	32 012	10 890	9 714	89.2
Total	40 045	21 401	12 204	57.0

Actual departmental revenue collections for the first six months of 2008/09 were R12.2 million or 57 per cent of the adjusted estimate of R21.4 million.

Table 3.5: Summary of changes to transfers and subsidies per programme

		2008/09					
		Additional Appropriation				Total	Adjusted appropriation
R thousands	Main appropriation	Roll-overs	Unforeseeable/ unavoidable	Virements	Other adjustments	additional appropriation	
4. International Transfers	732 826	-	300 000	-	-	300 000	1 032 826
Departmental agencies and accounts							
Departmental agencies and accounts (non-business entities)							
Current	398 925	-	300 000	-	-	300 000	698 925
African Renaissance and International Co-operation Fund	398 925	-	300 000	-	-	300 000	698 925

