

Vote 3

Foreign Affairs

Amount to be appropriated	R2 079 297 000
Statutory appropriations	R1 000
Responsible Minister	Minister of Foreign Affairs
Administering Department	Department of Foreign Affairs
Accounting Officer	Director-General of Foreign Affairs

Aim

The aim of the Department of Foreign Affairs is to formulate, coordinate, implement and manage South Africa's foreign policy and international relations programmes throughout the world.

Key objectives and programmes

The Department of Foreign Affairs projects and protects the interests of South Africa, Africa and the developing world through a range of bilateral and multilateral engagements. It aims to ensure that those interests are heard, understood and promoted in the exercise of international affairs and global policy-making processes.

South Africa's engagement with these processes is shaped and guided by five broad themes captured in the vision of the African Renaissance: accelerating growth and development to address the basic needs of the poor in the developing world; building the South African economy; combating international and cross-border crime; promoting democracy and good governance; and building a better Africa and a better world.

The Department's objectives are realised through five programmes:

- *Administration* manages the Department, develops policy and ensures its execution.
- *Foreign Relations* promotes relations with other countries and participates in international organisations to promote South Africa's national values, interests and foreign policy objectives.
- *Public Diplomacy and Protocol* markets South Africa's foreign policy objectives, projects a positive image of South Africa and Africa, and provides protocol services.
- *Foreign Properties* manages South Africa's immovable properties abroad.
- *Auxiliary and Associated Services* facilitates the payment of membership fees to international organisations and provides for costs related to the transfer of staff to foreign postings.

Strategic overview and key policy developments: 1998/99 – 2004/05

The transition to democracy, together with South Africa's readmission as a full participant in international affairs, meant that its foreign policy objectives and approach had to be transformed, dramatically changing both the content and style of South African diplomacy. South Africa now places greater emphasis on promoting democracy and human rights, and on representing the rights and interests of developing countries. Indeed, the nature of South Africa's transition thrust it into a leadership role on the global stage as an exemplar of a peaceful transition to democracy and a negotiated end to conflict.

International role

International relations has also been affected by the processes of globalisation. The heightened integration of the global economy has created an urgent need for the reform of multilateral and global institutions. South Africa has engaged in these developments with the explicit intention of defending and promoting the interests of the country, the continent and the developing world.

Ensuring sustainable development in a globalising world requires access to international markets, while addressing inequalities in the world trading system and the factors that deter foreign investors. The Department will seek to do this in close collaboration with other government departments to promote global trade in general, reduce barriers to trade in the Southern African Development Community (SADC) region, and promote tourism to South Africa as a driver of economic growth.

In promoting the interests of Africa on the global agenda, South Africa, together with other countries on the continent, has been instrumental in developing the New Partnership for Africa's Development (NEPAD), and is currently elaborating a programme of action. Through NEPAD initiatives, South Africa will also seek to encourage and ensure sound, growth oriented political and economic governance on the continent.

Role in Africa

Threats to the internal stability of countries on the continent often cause instability and conflict elsewhere. Refugee flows, arms trafficking, regional conflicts and environmental degradation can spill over and impact on South Africa's well-being. Such instability also undermines the regional integration process and the political values that South Africa and like-minded African countries are nurturing. To promote peace and stability, the Department of Foreign Affairs seeks to build capacity to mediate between contending groups; support credible leadership and condemn unconstitutional transfers of power; monitor and assist in running elections; and find new ways of reducing the destabilising impact of mercenaries on the states in the region.

The Department will continue to work to build a peaceful region and continent, by assisting in the resolution of conflicts and in efforts to attain sustainable security for all. In doing this, it will build on the role that Government already plays in international and regional efforts to effect the peaceful resolution of conflicts. In addition, the Department will promote government efforts to develop an effective security regime for the region and to reduce the proliferation of, and illicit trade in, arms.

Medium- and short-term priorities

South Africa's foreign policy priorities over the medium term are promoting sustainable development, building peace between conflicting nations, reducing internal instability where this affects South Africa's interests, and promoting international cooperation.

South Africa's priorities in cooperative efforts with other African countries and international institutions in the medium term are human resource development, health, poverty alleviation, people to people cooperation, human rights, sustainable development, and security.

On the basis of these priority areas, the Department's specific priorities for 2002/03 are:

- Helping to facilitate the successful launch of the African Union (AU), which is taking the place of the Organisation of African Unity (OAU)
- Hosting the AU Inaugural Summit and promoting NEPAD objectives through the AU
- Working towards restructuring SADC and setting up the institutions of the Southern African Customs Union (SACU)

- Focusing on the implementation of NEPAD, prioritising capacity-building, and economic and corporate governance; regulating the financial sector; building regional infrastructure; and promoting market access for African agricultural products
- Working towards peace, stability and security in Africa
- Facilitating sustainable foreign direct investment (FDI), international trade and tourism, and building regional and international cooperation on human resource development and health
- Building a positive image of South Africa and Africa, enhancing understanding of the country's foreign policy objectives, and ensuring that the message of its leaders is better understood

Expenditure estimates

Table 3.1: Foreign Affairs

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
1 Administration	116 895	128 073	135 317	154 659	154 659	217 193	222 480	227 043
2 Foreign Relations	1 026 152	994 648	1 021 606	1 543 395	1 606 516	1 604 447	1 648 171	1 755 585
3 Public Diplomacy and Protocol	28 214	79 376	34 441	47 830	47 830	53 770	60 091	61 552
4 Foreign Properties	9 173	7 855	47 443	188 813	85 231	36 580	42 626	45 184
5 Auxiliary and Associated Services	126 746	164 928	196 414	183 231	183 231	167 307	167 307	169 307
Subtotal	1 307 180	1 374 880	1 435 221	2 117 928	2 077 467	2 079 297	2 140 675	2 258 671
Direct charge on the National								
Revenue Fund	-	-	1	1	1	1	1	1
Judges Seconded to Governments of Other Countries	-	-	1	1	1	1	1	1
Total	1 307 180	1 374 880	1 435 222	2 117 929	2 077 468	2 079 298	2 140 676	2 258 672
Change to 2001 Budget Estimate				457 089	416 628	507 128	523 306	
Economic classification								
Current	1 236 366	1 285 201	1 333 109	1 856 652	1 906 757	1 943 862	1 990 404	2 118 013
Personnel	692 928	706 345	748 006	1 095 614	1 134 370	1 169 503	1 245 763	1 308 658
Transfer payments	77 286	113 853	145 214	128 607	128 607	119 307	121 307	121 307
Other current	466 152	465 003	439 889	632 431	643 780	655 052	623 334	688 048
Capital	70 814	89 679	102 112	261 276	170 710	135 435	150 271	140 658
Transfer payments	-	-	-	-	-	-	-	-
Acquisition of capital assets	70 814	89 679	102 112	261 276	170 710	135 435	150 271	140 658
Total	1 307 180	1 374 880	1 435 221	2 117 928	2 077 467	2 079 297	2 140 675	2 258 671
Standard items of expenditure								
Personnel	692 928	706 345	748 006	1 095 614	1 131 175	1 169 503	1 245 763	1 308 658
Administrative	214 751	235 184	204 461	302 001	310 303	299 204	282 892	294 678
Inventories	23 330	35 473	25 223	38 285	39 562	44 049	35 997	36 647
Equipment	43 020	54 614	37 006	60 806	70 305	98 210	90 513	97 111
Land and buildings	145 676	128 722	181 807	365 479	265 897	209 143	235 294	262 514
Professional and special services	104 778	90 303	81 947	110 387	114 278	128 857	124 982	133 756
Transfer payments	77 286	113 853	145 214	128 607	128 607	119 307	121 307	121 307
Miscellaneous	5 411	10 386	11 557	16 749	17 340	11 024	3 927	4 000
Total	1 307 180	1 374 880	1 435 221	2 117 928	2 077 467	2 079 297	2 140 675	2 258 671

Expenditure trends

Although the Vote grew by an annual average of 17,5 per cent between 1998/99 and 2001/02, the average rate of growth falls to 2,2 per cent a year over the medium term. Growth in the earlier period was driven by the 14,6 per cent annual growth of *Foreign Relations*, which makes up over 75,0 per cent of the budget. This growth was, in turn, driven by the expansion of South Africa's presence in the developing world as well as the impact of the depreciation of the currency. The fall in the rate of growth of the Department reflects the fact that the Department has received additional allocations in 2001/02 and in the current budget to adjust for the impact of the depreciation of the rand.

The increase in the 2001/02 budget also reflects a much larger budget for *Foreign Properties* following the rollover of R154,0 million in the 2001 adjusted estimate for the completion of the Berlin and Kinshasa missions. A further R79,2 million was allocated to adjust for the currency depreciation, while R215,0 million was allocated to accommodate the change in the taxation policy governing foreign allowances.

Relative to the projections published in the 2001 Budget, the Vote has been increased by R507,1 million in 2002/03 and R523,3 million in 2003/04. The additional funds include provision for the deterioration of the exchange rates and for further foreign representation, as well as for implementing new benefits for the Foreign Service and a R20,0 million allocation for the African Union summit in 2002/03.

The change in the benefits for the Foreign Service, together with the adjustment made to accommodate the new taxation policy, means that personnel spending grew by over 46 per cent in 2001/02. It will continue to grow by an annual average of about 6 per cent over the medium term. As a result, personnel spending will consume nearly 58 per cent of the budget in 2004/05 compared to 53 per cent in 1998/99.

Departmental receipts

Receipts are generated by the sale of properties and recovery of advances to officials, and are deposited into the National Revenue Fund. The Department anticipates that receipts will amount to about R67 million in 2001/02, R30 million in 2002/03, R24 million in 2003/04 and R29 million in 2004/05. The fall in projected income in 2002/03 indicates that the pace of planned disposals is not solely in the Department's control.

Table 3.2: Departmental receipts

	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01		2001/02	2002/03	2003/04
R thousand							
Non-tax revenue	25 322	1 986	21 930	33 098	15 561	23 260	11 968
Property income	4 814	927	8 210	3 035	240	550	260
Sales of goods and services	1 472	19	2 021	1 314	1 601	1 810	1 508
Voluntary transfers	–	–	672	113	670	700	700
Miscellaneous	19 036	1 040	11 027	28 636	13 050	20 200	9 500
Transactions in non-financial assets (capital revenue)	1 090	6	20 883	33 934	15 000	1 000	17 000
Total departmental receipts	26 412	1 992	42 813	67 032	30 561	24 260	28 968

Programme 1: Administration

Administration develops and executes departmental policy, and is responsible for the management of the Department. This includes organising the Department, providing administrative and parliamentary services, managing personnel and finances, determining working methods and procedures, and exercising control. The programme also provides for the consular and agency services in Pretoria and abroad, and the purchase of vehicles for departmental use.

Expenditure estimates

Table 3.3: Administration

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Minister ¹	571	586	666	646	685	722	759
Deputy Minister ²	471	520	538	525	557	587	617
Management	2 295	2 736	2 814	6 730	7 271	7 577	7 847
Corporate Services	113 409	124 082	131 299	146 358	208 680	213 594	217 820
Government Motor Transport	–	–	–	400	–	–	–
Authorised Losses	149	149	–	–	–	–	–
Total	116 895	128 073	135 317	154 659	217 193	222 480	227 043
Change to 2001 Budget Estimate				5 499	66 450	63 762	

¹ Payable as from 1 April 2001. Salary: R516 812. Car allowance: R129 203.

² Payable as from 1 April 2001. Salary: R420 057. Car allowance: R105 015.

Economic classification

	109 702	112 440	125 294	139 175	193 193	198 480	203 043
Current							
Personnel	76 034	79 858	81 809	88 964	109 410	114 696	120 111
Transfer payments	–	–	–	–	–	–	–
Other current	33 668	32 582	43 485	50 211	83 783	83 784	82 932
Capital	7 193	15 633	10 023	15 484	24 000	24 000	24 000
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	7 193	15 633	10 023	15 484	24 000	24 000	24 000
Total	116 895	128 073	135 317	154 659	217 193	222 480	227 043

Standard items of expenditure

Personnel	76 034	79 858	81 809	88 964	109 410	114 696	120 111
Administrative	21 924	24 154	29 872	30 423	41 546	41 547	41 200
Inventories	2 500	3 747	3 143	3 326	3 882	3 882	3 847
Equipment	7 224	11 903	8 554	16 792	39 626	39 626	39 257
Land and buildings	–	–	–	–	–	–	–
Professional and special services	8 053	7 115	11 338	13 484	21 060	21 060	20 959
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	1 160	1 296	601	1 670	1 669	1 669	1 669
Total	116 895	128 073	135 317	154 659	217 193	222 480	227 043

Policy developments

The Ministry of Foreign Affairs and the Department will focus on improving the working of the International Relations, Peace and Security Cabinet Cluster to ensure that foreign policy planning and implementation are properly consulted and coordinated. This will apply particularly to defining which elements of the African Renaissance are taken forward through continental and international action.

It is anticipated that the Minister of Foreign Affairs will become increasingly involved in the search for peaceful solutions to the problems of Africa, such as those in the DRC, the tensions in the Great Lakes region, and the conflicts in Sierra Leone, Ethiopia/Eritrea, Burundi and Angola. The Ministry and senior management will also be involved in the preparations for the World Summit on Sustainable Development (WSSD), and the establishment and inaugural summit of the African Union.

One of the key strategic objectives of *Administration* in the medium term is to implement human resource policies aimed at attracting and retaining high calibre staff, while continuing with the transformation of the Department. The Department is restructuring the Foreign Service Institute, which trains and prepares officials before their posting.

Expenditure trends

Between 1998/99 and 2001/02, the programme budget grew by an annual average of 9,8 per cent. This is set to accelerate to 13,7 per cent a year over the medium term, with the bulk of this growth taking place in 2002/03. The increased spending is attributable to the increased involvement of the Minister and senior management of the Department in regional, continental and global processes, including acting as Chair of the Non-Aligned Movement (NAM), interacting with the G-8, and building the African Union.

The fastest growing component of expenditure is for equipment, which increases by over 130 per cent in 2002/03 before stabilising. This increase provides for the roll-out of new information technology (IT) and systems to improve internal communication, and the installation of a new financial management system.

Programme 2: Foreign Relations

Foreign Relations promotes relations with foreign countries, and provides for participation in international organisations and institutions through two subprogrammes.

- Bilateral Relations Management provides for participation in a range of policy processes with other countries on a bilateral or multilateral basis.
- Diplomatic Representation provides for South Africa's permanent diplomatic presence in countries around the world and in multilateral organisations and institutions.

Expenditure estimates

Table 3.4: Foreign Relations

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Bilateral Relations Management							
Africa and Middle East	19 932	18 745	21 951	32 221	114 741	48 943	46 990
Asia and Australasia	8 537	8 514	9 426	10 010	7 644	8 054	8 416
Americas and Europe	10 884	11 814	12 339	14 320	33 950	36 081	36 649
Multilateral	90 628	65 755	21 867	132 890	32 413	34 286	35 941
Diplomatic Representation							
Africa and Middle East	146 018	163 849	196 919	303 845	418 446	458 845	448 259
Asia and Australasia	168 539	176 948	198 048	289 090	212 099	213 811	260 382
Americas and Europe	501 252	483 400	465 114	627 106	651 044	700 168	756 807
Multilateral	80 362	65 623	95 942	133 913	134 110	147 983	162 141
Total	1 026 152	994 648	1 021 606	1 543 395	1 604 447	1 648 171	1 755 585
Change to 2001 Budget Estimate				303 656	445 061	459 776	

Economic classification

Current	971 704	936 609	976 960	1 486 416	1 530 152	1 565 406	1 684 991
Personnel	604 505	611 803	650 785	982 904	1 030 726	1 101 853	1 157 872
Transfer payments	–	–	–	–	–	–	–
Other current	367 199	324 806	326 175	503 512	499 426	463 553	527 119
Capital	54 448	58 039	44 646	56 979	74 295	82 765	70 594
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	54 448	58 039	44 646	56 979	74 295	82 765	70 594
Total	1 026 152	994 648	1 021 606	1 543 395	1 604 447	1 648 171	1 755 585

Standard items of expenditure

Personnel	604 505	611 803	650 785	982 904	1 030 726	1 101 853	1 157 872
Administrative	133 142	125 177	116 083	206 278	197 972	171 519	181 652
Inventories	18 152	19 566	19 471	32 989	38 089	27 877	28 562
Equipment	35 640	34 559	28 373	43 557	58 024	50 007	56 974
Land and buildings	136 503	120 867	134 364	176 666	172 563	192 668	217 330
Professional and special services	96 725	80 373	70 519	95 458	106 324	103 462	112 337
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	1 485	2 303	2 011	5 543	749	785	858
Total	1 026 152	994 648	1 021 606	1 543 395	1 604 447	1 648 171	1 755 585

Policy developments

South Africa's foreign policy has changed dramatically since the transition to democracy. The focus is more development oriented, as the Department seeks to promote and protect South Africa's interests, while also promoting the interests of developing countries in general. The shift is reflected in South Africa's commitment to advancing an African agenda in the conduct of its international relations, as well as the importance attached to working with other African countries in global dialogue and negotiations.

In Africa and the Middle East, South Africa's foreign policy agenda prioritises NEPAD and supports the founding of the African Union. It focuses on promoting growth and development, and peace and stability, and on building bilateral relations with countries in the region.

In Asia and Australasia, foreign policy has concentrated on: promoting trade and investment; developing relations with countries in the region, particularly Japan, China and India; combating transnational crime; and building South Africa's capacity to participate in peace-building programmes around the world.

In the Americas and Europe, South Africa's priorities have been securing and promoting commitment to NEPAD; building tourism, trade and investment links; building relations with Latin American countries; and securing assistance for human resource development.

In multilateral relations, South Africa has promoted NEPAD; sought to build peace and stability, and combat crime; promoted good governance; engaged in the development of the governing structures of international trade; and worked in and with many global and regional institutions.

Expenditure trends

Spending on *Foreign Relations* increased by over 51,0 per cent between 2000/01 and 2001/02, but is projected to grow at only 4,3 per cent a year over the medium term. The large increase in 2001/02 was necessary after the currency depreciation, and for the adjustment in personnel benefits. These factors also explain the increase to the projected levels of expenditure in 2001/02 and over the medium term relative to the estimates in the 2001 Budget.

Since 1998/99, South Africa has shifted the focus of its foreign affairs activities towards Africa and the rest of the developing world. The proportion of the *Foreign Relations* budget consumed by bilateral relations and diplomatic representation in Africa and the Middle East has risen from about 16 per cent in 1998/99 to a projected level of about 28 per cent in 2004/05. This has been driven by an average annual growth rate of over 20 per cent in expenditure on diplomatic representation in Africa between 1998/99 and 2004/05.

Spending on *Foreign Relations* in 2001/02 and 2002/03 includes large once-off allocations to accommodate South Africa's hosting of the World Conference Against Racism and the inaugural summit of the African Union. The bulk of the rest of the increase to this budget over the medium term accommodates the depreciation of the currency and changes to the conditions of service of the Foreign Service.

Personnel spending will increase by an annual average of 11,4 per cent between 1998/99 and 2004/05, and consumes an average of 65,7 per cent of the programme's total expenditure over the medium term. The increase in expenditure is attributable to the implementation of the proposed Foreign Service dispensation.

Key outputs, indicators and targets

Foreign Relations

Subprogramme	Output	Output measure/indicator	Target		
Bilateral Relations Management	Transition from OAU to AU	Establishment of organs and institutions of the AU	July 2002		
		Pan African Parliament Protocol	Protocol ratified by Parliament		
		Hosting of the inaugural summit of the AU	1 to 11 July 2002		
		Protocols establishing the Court of Justice and financial institutions finalised	South African decision on which financial institution to host		
		Successful implementation of protocols	Protocols on Free Trade, Politics, Defence and Security Cooperation		
		Creation of SACU institutions	Policy guidelines for the creation of SACU institutions finalised	Policies for Customs, Trade and Industry, Transport and Agriculture	
		Implementation of NEPAD	NEPAD adopted as an AU programme	NEPAD adoption by AU	
			Domestic and international support for NEPAD	NEPAD referred to in all appropriate multilateral declarations and documentation	
			Developed countries support collaborative, prioritised projects of NEPAD	Projects on infrastructure and human resource development; agriculture; environment; culture; science and technology; information communications technology	
		Conflict prevention, management and resolution, and peace building	Effective implementation of the SADC organ on Politics, Defence and Security	Effective functioning of mechanisms to deal with human crisis situations	Reduction in conflict in SADC and African countries
				Participation in selected UN and OAU/AU peacekeeping operations	Effective functioning of mechanisms within an acceptable timeframe
					Participation in the DRC, Burundi and Angola
		Economic development	Attraction of FDI and markets access for South Africa by building relations with key countries	Build relations with Saudi Arabia, China, the USA, Russia, Japan, Australia and India	
New round of WTO negotiations	Secured support and commitment from the developed world for the objectives of the South	G-South has common position			
Hosting of WSSD	Genuine global partnership between governments, business and civil society	WTO programme supports NEPAD			
Participation in international institutions and organisations	The degree to which NEPAD is a cornerstone for implementing sustainable development		Promotion of the principles of NEPAD		
		Lobbying to transform Bretton Woods Institutions	Political support and resources for NEPAD are mobilised		
	Successful negotiation of agreements with EU involving South Africa and Africa	Reform addresses Africa's interests			
		Improved coordination between international agencies and national health sectors	Ratification of TDCA, Cotonou Partnership Agreement South Africa-EU Fisheries Agreement finalised Improved coordination with UNICEF, UNDP, UNAIDS and UNFPA		
Diplomatic Representation	Increase foreign representation	Number of new missions opened	New missions to be opened in Africa, the Middle East and the Australasia regions		

As South African citizens and businesses are increasingly active in all corners of the globe, they regularly need support from the Department of Foreign Affairs and its missions. South Africa also receives an increasing number of tourists, businesspeople and delegations, who likewise require support and advice before coming to the country.

Programme 3: Public Diplomacy and Protocol

Public Diplomacy and Protocol markets South Africa's foreign policy objectives, projects a positive image of South Africa and Africa, and provides state protocol services. The activities are organised into two subprogrammes:

- Public Diplomacy liaises with the media, engages with national stakeholders, and promotes South Africa's policies and programmes at the international level.

- Protocol provides state protocol services; manages ceremonial services, state visits, and diplomatic liaison; organises international conferences; and manages state owned guesthouses. It also implements the provisions of the Diplomatic Immunities and Privileges Act (74 of 1989) on behalf of South Africa.

Expenditure estimates

Table 3.5: Public Diplomacy and Protocol

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01		2002/03	2003/04	2004/05
R thousand							
Public Diplomacy	9 847	4 607	4 370	14 583	16 658	24 582	25 060
Protocol	18 367	31 464	30 071	33 247	37 112	35 509	36 492
Presidential Inauguration	–	43 305	–	–	–	–	–
Total	28 214	79 376	34 441	47 830	53 770	60 091	61 552
Change to 2001 Budget Estimate				(8 499)	(4 283)	468	
Economic classification							
Current	28 214	71 224	34 441	47 830	53 210	59 211	60 672
Personnel	12 389	14 684	15 412	23 746	29 367	29 214	30 675
Transfer payments	–	–	–	–	–	–	–
Other current	15 825	56 540	19 029	24 084	23 843	29 997	29 997
Capital	–	8 152	–	–	560	880	880
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	8 152	–	–	560	880	880
Total	28 214	79 376	34 441	47 830	53 770	60 091	61 552
Standard items of expenditure							
Personnel	12 389	14 684	15 412	23 746	29 367	29 214	30 675
Administrative	10 225	34 778	7 306	10 676	11 686	23 826	23 826
Inventories	2 678	12 160	2 609	1 970	2 078	4 238	4 238
Equipment	156	8 152	79	457	560	880	880
Land and buildings	–	–	–	–	–	–	–
Professional and special services	–	2 815	90	1 445	1 473	460	460
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	2 766	6 787	8 945	9 536	8 606	1 473	1 473
Total	28 214	79 376	34 441	47 830	53 770	60 091	61 552

Policy developments

The Department of Foreign Affairs intends to expand its activities to project a positive image of South Africa by embracing three key areas: promoting investment and trade; attracting more tourism; and improving the general understanding and perception of South African society. To achieve this, the Public Diplomacy subprogramme will:

- Ensure that South African marketing campaigns are coordinated as a national effort, and that missions in strategic countries continue to position South Africa positively
- Seek to promote a positive image of South Africa through local and foreign media reports
- Implement a proactive communications strategy for all international visits

The Protocol subprogramme will continue to provide state protocol services to Government, including regulating and assisting the accredited diplomatic corps, and managing the issuing of diplomatic and official passports. It will also institute a unified Order of State Protocol for all spheres of Government in South Africa.

The management of the presidential households shifts from the Department of Foreign Affairs to the Presidency in 2002/03.

Expenditure trends

Although *Public Diplomacy and Protocol* will grow much faster than the budget of the Department as a whole over the medium term, this growth is off a very low base; even in 2004/05, it is projected to consume only about 2,7 per cent of the Vote.

The annual average growth of 19,8 per cent in expenditure on the Public Diplomacy subprogramme over the medium term reflects the priority attached to promoting a sound image of South Africa internationally.

Key outputs, indicators and targets

Public Diplomacy and Protocol

Subprogramme	Output	Output measure/indicator	Target
Public Diplomacy	A positive image of South Africa	Positive investor perceptions of South Africa	Attract 'Euromoney and Institutional Investor Conference' to South Africa
		Number of tourists to South Africa and region	Position Africa as a compelling destination
		Develop tourism strategy for SADC	Establish South Africa Tourism Institute
	Marketing South Africa	Use of major events to market South Africa	WSSD and AU summit and launch in 2002 Cricket World Cup in 2003 The 2010 Soccer World Cup bid
		Number of successful marketing campaigns	Replication of 'Celebrate South Africa' campaign in the USA and Germany Bilbao Tourism Fair (Spain) in May 2002
		Participation in international exhibitions	Functioning International Marketing Council
		Defined responsibilities for projecting image of South Africa for all role-players in government communications	
		Coherent marketing messages from departments	Improved accuracy and frequency of media reporting of South Africa and its achievements
		Successful implementation of proactive communications strategy for all international visits	Improved relations and cooperation with business, civil society and the media
Protocol	State protocol services for outgoing and incoming visits	Excellent management of programmes for incoming and outgoing state visits	40 outgoing visits and 48 incoming visits
	Implement the Diplomatic Immunities and Privileges Act	Gazette regulations upon promulgation of new Act	August 2002
		Improved service to the diplomatic community	Improvement in all 186 missions in South Africa
	Rendering service to the NCOP, provincial and local government	Updated contingency plans in case of crisis	April 2003
		Quality and accuracy of advice and information provided to all spheres of Government	High quality advice to 284 local governments, 9 provincial governments, and 12 traditional monarchs
State protocol facilitation and preparations for international conferences	Manual on South Africa State Protocol and Order of Precedence	April 2003	
	Successful hosting of conferences with regard to protocol	April 2002: NAM Ministerial Conference	
		July 2002: AU Summit September 2002: WSSD	

Protocol is responsible for servicing the diverse needs of the 186 accredited missions to South Africa, with 5 000 diplomats and their households and 3 000 diplomatic vehicles. It also prepares and facilitates numerous incoming and outgoing diplomatic visits.

Programme 4: Foreign Properties

Foreign Properties procures, constructs and maintains secure, economical housing and office accommodation for South Africa's representatives abroad.

Expenditure estimates

Table 3.6: Foreign Properties

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2001/02	2002/03	2003/04
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Land, Buildings and Structures Abroad	9 173	7 855	47 443	188 813	36 580	42 626	45 184
Total	9 173	7 855	47 443	188 813	36 580	42 626	45 184
Change to 2001 Budget Estimate				140 433	-	-	
Economic classification							
Current	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Other current	-	-	-	-	-	-	-
Capital	9 173	7 855	47 443	188 813	36 580	42 626	45 184
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	9 173	7 855	47 443	188 813	36 580	42 626	45 184
Total	9 173	7 855	47 443	188 813	36 580	42 626	45 184
Standard items of expenditure							
Personnel	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Land and buildings	9 173	7 855	47 443	188 813	36 580	42 626	45 184
Professional and special services	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total	9 173	7 855	47 443	188 813	36 580	42 626	45 184

Policy developments

Needs for immovable property abroad are identified and prioritised on the basis of South Africa's foreign policy objectives and needs, as well as the local property market, political stability and other environmental factors.

Developments that will affect the activities of the programme are:

- Parliament passing the Foreign Properties Bill, which will establish a revolving capital fund to enable the Department to manage and restructure its foreign property portfolio
- The continued execution of a 20-year procurement programme for fixed properties abroad
- Developing and implementing suitable and affordable norms for accommodation for South African representatives abroad
- Researching alternative means to obtain fixed properties abroad, including public-private partnerships and asset swaps with other countries with missions in South Africa

Expenditure trends

The Department took over the foreign properties function from the Department of Public Works during 2000/01. Unspent funds of R140,4 million were rolled over from 2000/01 to 2001/02 for the completion of capital works projects in Berlin and Kinshasa. It is projected that only approximately R85,0 million of the provided funds will be spent in 2001/02. Even without the unusually large allocation in 2001/02, however, *Foreign Properties* will have seen strong growth, averaging over 30 per cent a year, between 1998/99 and 2004/05.

Key outputs, indicators and targets

Foreign Properties

Subprogramme	Output	Output measure/ indicator	Target
Land, Buildings and Structures Abroad	Provision of official residences and offices abroad	Attaining the planned target phase of each of the projects under way	Kinshasa and Tokyo: end of 2002/03 Berlin: end of 2003/04 Maseru and Abuja: end of 2004/05
	Execution of maintenance programme	Finalised short-term maintenance programme in terms of plans	Athens, Buenos Aires, Canberra, Maputo, Paris, Rome, and Vienna
	Disposal of redundant property	Disposal of properties	Windhoek, Walvis Bay, Lilongwe, Blantyre, Zurich, Funchal, Brussels
	Foreign Property Bill	Complete legislation	Foreign Property Act in place by 2003
	Development of accommodation norms	Policy document on space norms for both housing and offices	Complete by April 2003
	Assess alternatives for procuring properties	Proposal document	Complete by April 2004

Since 2000/01, the Department has acquired properties (Kinshasa diplomatic village and chancery, and Berlin official residence) and land (Maseru and Abuja). It has evaluated the condition and value of all 105 state owned properties abroad, drawing up long- and short-term maintenance plans. Work has begun in Paris, London, Vienna, Rome, Copenhagen, Maputo, Buenos Aires, Canberra and Athens. A foreign property register has been submitted to the Department of Public Works. A disposal strategy for redundant properties has been developed and approved, and buildings in Hamburg and Paris have been sold.

Programme 5: Auxiliary and Associated Services

Auxiliary and Associated Services provides for the payment of membership fees for international organisations and provides a support service to all officials on transfer abroad. Some subprogrammes have been discontinued, leaving the activities of the programme organised into two subprogrammes:

- International Organisations provides for paying fees and contributions to various organisations.
- Administrative Support provides assistance to staff being transferred abroad, including for medical and hotel costs, airfreight, import and export privileges, and storage costs

Expenditure estimates

Table 3.7: Auxiliary and Associated Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
International Organisations	67 969	110 653	129 514	126 107	119 307	121 307	121 307
Administrative Support	49 460	51 075	51 200	54 624	48 000	46 000	48 000
Bilateral Aid and Technical Assistance	9 317	3 200	15 700	2 500	-	-	-
Total	126 746	164 928	196 414	183 231	167 307	167 307	169 307
Change to 2001 Budget Estimate				16 000	(100)	(700)	
Economic classification							
Current	126 746	164 928	196 414	183 231	167 307	167 307	169 307
Personnel	-	-	-	-	-	-	-
Transfer payments	77 286	113 853	145 214	128 607	119 307	121 307	121 307
Other current	49 460	51 075	51 200	54 624	48 000	46 000	48 000
Capital	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	-	-	-	-	-	-	-
Total	126 746	164 928	196 414	183 231	167 307	167 307	169 307
Standard items of expenditure							
Personnel	-	-	-	-	-	-	-
Administrative	49 460	51 075	51 200	54 624	48 000	46 000	48 000
Inventories	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Land and buildings	-	-	-	-	-	-	-
Professional and special services	-	-	-	-	-	-	-
Transfer payments	77 286	113 853	145 214	128 607	119 307	121 307	121 307
Miscellaneous	-	-	-	-	-	-	-
Total	126 746	164 928	196 414	183 231	167 307	167 307	169 307

Policy developments

The Department is exploring ways to optimise medical benefits for its staff in foreign countries.

Expenditure trends

The expenditure of *Auxiliary and Associated Services* consumes 9,2 per cent of the Vote, but falls to an average of 7,8 per cent over the medium term. Expenditure in 2000/01 and 2001/02 was higher than projected levels of annual expenditure over the medium term in order to accommodate the payment of overdue expenses for accommodating the United Nations Development Programme.

International Organisations dominates the spending of the restructured programme, consuming an average of 71,8 per cent of the budget for the programme over the medium term.

Bilateral and Technical Assistance has been incorporated into the African Renaissance and International Cooperation Fund.

Key outputs, indicators and targets

Auxiliary and Associated Services

Subprogramme	Output	Output measure/indicator	Target
International Organisations	Payment of fees to international organisations	Timely payment of fees	Meet due dates
Administrative Support	Management of transfer programmes	Successful implementation of the transfer programmes	Transfer families to and from South Africa as required
	Research on a medical aid for officials abroad	Proposal made	Complete by April 2003

Some of the institutions and organisations that South Africa engages with and pays membership fees and contributions to are: the United Nations and its associated organisations; the OAU; SADC; the Non-Aligned Movement; Mercosur; the Antarctic Treaty System; the Conference on Disarmament; the Nuclear Non-Proliferation Treaty; the Convention to Combat Desertification; the Convention on Biological Diversity; the Bretton Woods Institutions (the IMF, the World Bank and the WTO); the International Atomic Energy Agency; the Southern African Regional Police Chiefs Cooperation Organisation; and the Gulf Cooperation Council.

Contributions are also made through the African Renaissance and International Cooperation Fund.

Other departmental accounts

African Renaissance and International Cooperation Fund

In consultation with the National Treasury, the Department of Foreign Affairs is responsible for administering the African Renaissance and International Cooperation Fund, established in terms of the African Renaissance and International Cooperation Fund Act (51 of 2001). The purpose of the Fund is to enhance international cooperation with and on the African continent and to confirm South Africa's commitment to Africa. The Fund supports:

- Cooperation between South Africa and other countries, particularly African countries
- The promotion of democracy and good governance
- The prevention and resolution of conflict
- Socio-economic development and integration
- Humanitarian assistance
- Human resource development

The Fund is under the control of the Director-General of the Department of Foreign Affairs, who is its Accounting Officer. An Advisory Committee, composed of members of the Department and of the National Treasury, makes recommendations to the Minister and Deputy Minister on the disbursement of funds. The Director-General has established a secretariat to administer the Fund.

An amount of R243,0 million from the Economic Cooperation Promotion Loan Fund was transferred to the new Fund and R45,6 million of this amount has already been committed for funding various projects in Africa. Additional funds will be received both through parliamentary appropriation, and from other sources.

Annexure

Vote 3: Foreign Affairs

Table 3.8: Summary of expenditure trends and estimates per programme

Table 3.9: Summary of expenditure trends and estimates per economic classification

Table 3.10: Summary of expenditure trends and estimates per standard item

Table 3.11: Summary of transfers and subsidies per programme

Table 3.12: Summary of personnel numbers and costs

Table 3.13: Summary of expenditure on training

Table 3.14: Summary of information and communications technology expenditure

Table 3.8: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01		2001/02				2002/03			2003/04	2004/05
R thousand													
1 Administration	116 895	128 073	135 317	149 160	-	5 499	154 659	154 659	193 193	24 000	217 193	222 480	227 043
2 Foreign Relations	1 026 152	994 648	1 021 606	1 239 739	-	303 656	1 543 395	1 606 516	1 530 152	74 295	1 604 447	1 648 171	1 755 585
3 Public Diplomacy and Protocol	28 214	79 376	34 441	53 929	-	(6 099)	47 830	47 830	53 210	560	53 770	60 091	61 552
4 Foreign Properties	9 173	7 855	47 443	48 380	140 433	-	188 813	85 231	-	36 580	36 580	42 626	45 184
5 Auxiliary and Associated Services	126 746	164 928	196 414	169 631	13 600	-	183 231	183 231	167 307	-	167 307	167 307	169 307
Subtotal	1 307 180	1 374 880	1 435 221	1 660 839	154 033	303 056	2 117 928	2 077 467	1 943 862	135 435	2 079 297	2 140 675	2 258 671
Direct charge on the National Revenue													
Fund	-	-	1	1	-	-	1	1	1	-	1	1	1
Judges Seconded to Governments of Other Countries	-	-	1	1	-	-	1	1	1	-	1	1	1
Total	1 307 180	1 374 880	1 435 222	1 660 840	154 033	303 056	2 117 929	2 077 468	1 943 863	135 435	2 079 298	2 140 676	2 258 672
Change to 2001 Budget Estimate							457 089	416 628			507 128	523 306	

Table 3.9: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Current	1 236 366	1 285 201	1 333 109	1 545 796	13 600	297 256	1 856 652	1 906 757	1 943 862	-	1 943 862	1 990 404	2 118 013
Personnel	692 928	706 345	748 006	854 899	-	240 715	1 095 614	1 134 370	1 169 503	-	1 169 503	1 245 763	1 308 658
Salaries and wages	301 478	336 172	370 371	460 276	-	(200)	460 076	489 838	752 652	-	752 652	821 521	880 243
Other	391 450	370 173	377 635	394 623	-	240 915	635 538	644 532	416 851	-	416 851	424 242	428 415
Transfer payments	77 286	113 853	145 214	115 007	13 600	-	128 607	128 607	119 307	-	119 307	121 307	121 307
Subsidies to business enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
Other levels of government													
social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
provincial government	-	-	-	-	-	-	-	-	-	-	-	-	-
local government	-	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign countries and international credit institutions	77 286	113 853	145 214	115 007	13 600	-	128 607	128 607	119 307	-	119 307	121 307	121 307
Other	466 152	465 003	439 889	575 890	-	56 541	632 431	643 780	655 052	-	655 052	623 334	688 048
Capital	70 814	89 679	102 112	115 043	140 433	5 800	261 276	170 710	-	135 435	135 435	150 271	140 658
Transfer payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Other levels of government	-	-	-	-	-	-	-	-	-	-	-	-	-
Other capital transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable capital	61 641	81 824	54 669	66 663	-	5 800	72 463	85 479	-	98 855	98 855	107 645	95 474
Motor vehicles (transport)	3 344	4 996	1 610	2 650	-	750	3 400	4 870	-	3 820	3 820	3 654	3 428
Equipment - Computers	11 864	18 784	10 929	13 864	-	1 450	15 314	17 681	-	35 947	35 947	43 645	36 577
Equipment - Other office equipment	15 104	21 890	13 820	19 034	-	1 270	20 304	26 058	-	28 224	28 224	26 534	23 026
Other	31 329	36 154	28 310	31 115	-	2 330	33 445	36 870	-	30 864	30 864	33 812	32 443
Fixed capital	9 173	7 855	47 443	48 380	140 433	-	188 813	85 231	-	36 580	36 580	42 626	45 184
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	9 173	7 855	47 443	48 380	140 433	-	188 813	85 231	-	36 580	36 580	42 626	45 184
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1 307 180	1 374 880	1 435 221	1 660 839	154 033	303 056	2 117 928	2 077 467	1 943 862	135 435	2 079 297	2 140 675	2 258 671

Table 3.10: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Personnel	692 928	706 345	748 006	854 899	–	240 715	1 095 614	1 131 175	1 169 503	–	1 169 503	1 245 763	1 308 658
Administrative	214 751	235 184	204 461	275 105	–	26 896	302 001	310 303	299 204	–	299 204	282 892	294 678
Inventories	23 330	35 473	25 223	34 587	–	3 698	38 285	39 562	44 049	–	44 049	35 997	36 647
Equipment	43 020	54 614	37 006	56 122	–	4 684	60 806	70 305	38 614	59 596	98 210	90 513	97 111
Land and buildings	145 676	128 722	181 807	206 088	140 433	18 958	365 479	265 897	172 563	36 580	209 143	235 294	262 514
Professional and special services	104 778	90 303	81 947	102 832	–	7 555	110 387	114 278	89 598	39 259	128 857	124 982	133 756
Transfer payments	77 286	113 853	145 214	115 007	13 600	–	128 607	128 607	119 307	–	119 307	121 307	121 307
Miscellaneous	5 411	10 386	11 557	16 199	–	550	16 749	17 340	11 024	–	11 024	3 927	4 000
Total	1 307 180	1 374 880	1 435 221	1 660 839	154 033	303 056	2 117 928	2 077 467	1 943 862	135 435	2 079 297	2 140 675	2 258 671

Table 3.11: Summary of transfers and subsidies per programme

R thousand	Expenditure outcome				Medium-term expenditure estimate					
	Audited	Audited	Preliminary	Adjusted	Current	Capital	Total	2003/04	2004/05	
	1998/99	1999/00	outcome							2001/02
5 Auxiliary and Associated Services	77 286	113 853	145 214	128 607	119 307	-	119 307	121 307	121 307	
International Organisations										
UN Membership Fees	51 681	65 672	86 073	76 000	78 881	-	78 881	80 221	80 221	
Commonwealth	2 782	5 982	6 928	7 000	7 344	-	7 344	7 504	7 504	
Organisation of African Unity	9 623	12 603	14 165	14 500	15 059	-	15 059	15 319	15 319	
UNDP	901	954	970	18 000	4 529	-	4 529	4 589	4 589	
UN Humanitarian Aid	4 368	8 125	10 788	6 600	6 858	-	6 858	6 978	6 978	
SADC	2 221	2 540	2 998	2 620	2 663	-	2 663	2 683	2 683	
Other	4 869	4 136	7 530	3 887	3 973	-	3 973	4 013	4 013	
Bilateral Aid and Technical Assistance	841	13 841	15 762	-	-	-	-	-	-	
Total	77 286	113 853	145 214	128 607	119 307	-	119 307	121 307	121 307	

Table 3.12: Summary of personnel numbers and costs¹

Personnel numbers	1998/99	1999/00	2000/01	2001/02	2002/03
1 Administration	1 051	990	823	840	848
2 Foreign Relations	2 678	2 538	2 492	2 541	2 559
3 Public Diplomacy and Protocol	43	41	245	241	248
Total	3 772	3 569	3 560	3 622	3 655
Total personnel cost (R thousand)	692 928	706 345	748 006	1 095 614	1 169 503
Unit cost (R thousand)	183.7	197.9	210.1	302.5	320.0

¹ Full-time equivalent

Table 3.13: Summary of expenditure on training

	Expenditure outcome		Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
R thousand						
1 Administration		5 702	7 400	11 770	11 086	11 391
2 Foreign Relations	-	2 100	2 310	2 450	2 700	2 700
3 Public Diplomacy and Protocol	-	-	-	700	550	600
Total	-	7 802	9 710	14 920	14 336	14 691

Table 3.14: Summary of information and communications technology expenditure

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2002/03	2003/04	2004/05
	2001/02			
1 Administration	12 709	32 174	28 908	19 112
Technology	11 829	31 163	27 658	14 111
Hardware	2 035	10 012	9 727	8 415
Software and licences	1 054	15 171	15 411	4 046
Audio-visual equipment	740	1 980	2 520	1 650
Systems	8 000	4 000	-	-
IT services	880	1 011	1 250	5 001
Consulting	880	1 011	1 250	1 001
Outsourcing	-	-	-	4 000
2 Foreign Relations	10 146	7 697	8 186	9 689
Technology	10 146	7 697	8 186	9 689
Hardware	5 996	4 387	4 348	4 609
Software and licences	3 200	2 530	2 598	3 120
Audio-visual equipment	950	780	1 240	1 960
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
3 Public Diplomacy and Protocol	-	300	120	70
Technology	-	300	120	70
Hardware	-	300	120	70
Software and licences	-	-	-	-
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
Total	22 855	40 171	37 214	28 871