

Vote 3

Foreign Affairs

	2003/04 To be appropriated	2004/05	2005/06
MTEF allocations	R2 243 555 000	R2 496 686 000	R2 689 115 000
Statutory amounts	–	–	–
Responsible Minister	Minister of Foreign Affairs		
Administering Department	Department of Foreign Affairs		
Accounting Officer	Director-General of Foreign Affairs		

Aim

The Department of Foreign Affairs is responsible for the formulation, co-ordination, implementation and management of South Africa's foreign policy and international relations programmes throughout the world.

Programme purpose and measurable objectives

Programme 1: Administration

Purpose: Conduct the overall policy development and management of the Department.

Programme 2: Foreign Relations

Purpose: Promote relations with foreign countries, and participate in international organisations and institutions, in pursuit of South Africa's national values and foreign policy objectives.

Measurable objective: To promote South Africa's foreign policy internationally and within multilateral institutions, through diplomatic interventions to strengthen foreign relations.

Programme 3: Public Diplomacy and Protocol

Purpose: Promote an understanding, both domestically and internationally, of South Africa's role and position in international relations, and provide protocol services.

Measurable objective: To project a positive image of South Africa by marketing the Department's programmes and providing protocol services.

Programme 4: Foreign Properties

Purpose: Provide secure, economical housing and office accommodation to all staff members abroad, and maintain immovable properties abroad.

Measurable objective: To acquire and maintain South Africa's properties abroad in a cost-effective manner in order to facilitate delivery of foreign policy objectives.

Programme 5: Auxiliary and Associated Services

Purpose: Provide for the payment of membership fees to international organisations, transfer payments, and support services for all officials on transfer abroad, and make provision for the inauguration of the President.

Measurable objective: To contribute to multilateral development co-operation.

Strategic overview and key policy developments: 1999/00 – 2005/06

South Africa's re-entry into the global community has resulted in a new foreign policy dispensation. There is now wider acknowledgement of the role South Africa plays in global affairs. The country is viewed as a key player in global efforts to normalise international relations, particularly in Africa. South Africa is also involved in creating the conditions for sustainable socio-economic development, peace and good governance. The Department of Foreign Affairs is responsible for playing this role in ways that advance the interests of the developing world and Africa, in order to foster sustainable development of South Africa itself.

These responsibilities are executed through three broad strategic priority areas:

- Strengthening solidarity within the developing world, and building partnerships with the developed world to foster sustainable development
- Promoting good governance, sustainable socio-economic development and poverty eradication in Africa
- Participating in international efforts to seek lasting peace and stability in conflict-ridden areas.

The New Partnership for Africa's Development (NEPAD) and the African Union (AU) are two new institutions established to achieve these ends, particularly in Africa. Through the Department, South Africa has played a central role in both.

International co-operation for sustainable development

South Africa continues to play a leading role in articulating the interests of Africa and developing countries in the global economy. Key problematic areas include: disparities and inequalities resulting from globalisation; the marginalisation of Africa in the global economy; the recent weakening of the global economy; and the resurgence of regionalism. The role of multilateral financial institutions and the United Nations (UN) in international economic development is also of interest.

The Department is involved in promoting economic co-operation through strengthening multilateralism and inclusive governance in the world economy and its trade system. This includes the reform and strengthening of global rules and institutions. Particular emphasis will be placed on: the economic development agenda of the south; the World Trade Organisation (WTO) Doha Development Round; the recommendations of the World Summit on Sustainable Development (WSSD); and championing African interests in other multilateral organisations.

It is recognised that the developed world has a major role to play in the economic development of the developing world. South Africa promotes the interests of developing countries on the international agenda, and mobilises development resources and co-operation to tackle poverty and underdevelopment. Issues include debt relief and the democratisation of international relations. Activities include: high level interactions with developed countries through the G-20, in the context of the International Monetary Fund (IMF) and the World Bank; discussions with the G-8 at their summits; and initiatives at other UN forums.

Focus on Africa

Good governance and sustainable socio-economic development in Africa are fundamental to South Africa's foreign policy. During 2002, South Africa actively participated in the establishment of the African Union (AU). The African Union brings together continent-wide hopes for an Africa free of political conflict, poverty and underdevelopment. Emphasis during the forthcoming year will be on facilitating the establishment and effective functioning of the structures of the African Union.

The New Partnership for Africa's Development (NEPAD) is key to Africa's development, within the broader theme of an African Renaissance. The Department of Foreign Affairs led the establishment of institutional arrangements for the implementation of NEPAD. The Department will also be actively involved in implementing current NEPAD priority areas that span countries and regions. These include: bridging the infrastructure gap, especially in information and communications technology (ICT) and energy infrastructure; human resources development, including education, skills development, and reversing the brain drain; health; agriculture; and the market access initiative.

Within Southern Africa, South Africa is actively engaged in the restructuring of the Southern African Development Community (SADC), to place it in a better position to respond to the changing development challenges facing the region. Particular emphasis will be placed on the ratification of the new Southern African Customs Union (SACU) Agreement, the finalisation of the Strategic Indicative Plan for SADC, and the finalisation of the SADC Mutual Defence Pact.

Peace and security

The Department is aware of the interconnectedness between socio-economic development and peace and stability. Political conflicts in Africa, the Middle East, and other parts of the world continue to undermine efforts to tackle sustainable development holistically. The Department has also noted a shift from the previous risk of super-power nuclear confrontation to other forms of insecurity, often of a more regional or domestic nature. Extremism, civil conflicts, organised transnational crime, drug trafficking, internally displaced people, and small arms proliferation are all elements that lead to heightened states of tension, and often also to internal and cross-border friction. The Department has therefore given particular attention to the following priority areas: the development of early warning systems; conflict resolution and post-conflict reconstruction; security co-operation; and the pre-eminence of multilateralism.

Expenditure estimates

Table 3.1: Foreign Affairs

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	1999/00	2000/01	2001/02	2002/03		2003/04	2004/05	2005/06
1 Administration	128 073	135 318	160 558	181 544	181 544	205 983	208 921	218 867
2 Foreign Relations	994 648	1 021 606	1 529 814	1 746 047	1 746 047	1 665 995	1 853 530	2 050 559
3 Public Diplomacy and Protocol	36 071	34 441	53 380	55 070	55 070	62 741	66 548	70 540
4 Foreign Properties	7 855	47 443	47 090	131 156	101 156	48 226	53 049	56 232
5 Auxiliary and Associated Services	208 233	196 414	203 767	365 807	345 807	260 610	314 638	292 917
Total	1 374 880	1 435 222	1 994 609	2 479 624	2 429 624	2 243 555	2 496 686	2 689 115
Change to 2002 Budget Estimate				400 326	350 326	102 879	238 014	

	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	1999/00	2000/01	2001/02	2002/03	2002/03	2003/04	2004/05	2005/06
Economic classification								
Current	1 285 201	1 333 110	1 853 130	2 235 135	2 215 135	2 096 683	2 354 973	2 533 305
Personnel	706 345	748 006	1 048 879	1 197 571	1 197 571	1 223 852	1 350 602	1 483 684
Transfer payments	113 853	130 165	119 143	317 807	317 807	201 673	212 764	225 530
Other current	465 003	454 939	685 108	719 757	699 757	671 158	791 607	824 091
Capital	89 679	102 112	141 479	244 489	214 489	146 872	141 713	155 810
Transfer payments	–	–	–	–	–	–	–	–
Acquisition of capital assets	89 679	102 112	141 479	244 489	214 489	146 872	141 713	155 810
Total	1 374 880	1 435 222	1 994 609	2 479 624	2 429 624	2 243 555	2 496 686	2 689 115
Standard items of expenditure								
Personnel	706 345	748 006	1 048 879	1 197 571	1 197 571	1 223 852	1 350 602	1 483 684
Administrative	235 184	219 511	370 576	341 011	321 011	327 907	398 602	393 153
Inventories	35 473	25 223	31 163	53 561	53 561	32 627	35 867	39 269
Equipment	54 614	37 006	65 825	95 257	95 257	74 215	80 039	81 072
Land and buildings	128 722	181 807	213 563	288 148	258 148	217 806	255 204	279 375
Professional and special services	90 303	81 947	135 458	173 858	173 858	154 403	151 585	174 169
Transfer payments	113 853	130 165	119 143	317 807	317 807	201 673	212 764	225 530
Miscellaneous	10 386	11 557	10 002	12 411	12 411	11 072	12 023	12 863
Total	1 374 880	1 435 222	1 994 609	2 479 624	2 429 624	2 243 555	2 496 686	2 689 115

Expenditure trends

Given the nature of its business, the Department's budget is affected by foreign exchange fluctuations. The recent movements of the rand have therefore had a major impact.

Spending on the core programme, *Foreign Relations*, dominates the Foreign Affairs Vote, consuming an average of 74 per cent between 1999/00 and 2005/06. Since the readmission of South Africa to the international community, its role has increased significantly, requiring the expansion of its foreign representation. The Department has managed to open an average of five missions per MTEF cycle. However, over the past years the Department has been faced with over-expenditure which is not always within the Department's control, but a result of the fluctuating rand.

Expenditure on the Vote as a whole will grow by an annual average rate of 11,8 per cent between 1999/00 and 2005/06. This is largely due to the participation of South Africa in international organisations, which entails hosting major conferences, and participating in peace processes and regional and continental affairs. In addition, personnel expenditure, which includes the payment of foreign service allowances to South African officials serving abroad, consumes approximately 53 per cent of the total budget.

Departmental receipts

Receipts are sourced from the sale of properties and the recovery of advances to Department officials, and are deposited into the National Revenue Fund. The Department inherited properties from the previous dispensation, which were located in areas that are no longer strategic in terms of

the Department's foreign policy. The Department is in the process of selling these, and anticipates that receipts will rise from R29,9 million in 2002/03 to R54,1 million in 2005/06.

Table 3.2: Departmental receipts

R thousand	Revenue outcome			Adjusted appropriation	Medium-term revenue estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	1 986	21 258	32 985	14 891	16 560	17 008	19 569
Interest	927	8 210	3 035	240	4 550	6 000	4 550
Dividends	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Sales of goods and services	19	2 021	1 314	1 601	1 810	1 508	1 810
Fines, penalties and forfeits	-	-	-	-	-	-	-
Miscellaneous	1 040	11 027	28 636	13 050	10 200	9 500	13 209
Sales of capital assets (capital revenue)	6	20 883	33 934	15 000	24 550	26 000	34 550
Financial transactions (recovery of loans and advances)	-	-	-	-	-	-	-
Total departmental receipts	1 992	42 141	66 919	29 891	41 110	43 008	54 119

Programme 1: Administration

Administration conducts the overall policy development and management of the Department. It provides for policy formulation by the Minister, the Deputy Minister, the Director-General and other members of the Department's management. Other functions include: organising the Department; rendering streamlined and co-ordinated administrative office support and parliamentary services; managing departmental personnel and finances; determining working methods and procedures; exercising internal control; and providing the internal audit function. The programme also includes providing consular and agency services in Pretoria and abroad, and purchasing vehicles for the Department.

Expenditure estimates

Table 3.3: Administration

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
R thousand							
Minister ¹	586	666	778	691	746	791	835
Deputy Minister ²	520	538	636	562	607	643	675
Management	2 736	2 814	7 004	7 271	7 673	7 847	8 396
Corporate Services	124 082	131 300	152 140	173 020	196 557	199 240	208 561
Government Motor Transport	–	–	–	–	400	400	400
Special Functions: Authorised Losses	149	–	–	–	–	–	–
Total	128 073	135 318	160 558	181 544	205 983	208 921	218 867
Change to 2002 Budget Estimate				(35 649)	(16 497)	(18 122)	

¹ Payable as from 1 April 2002. Salary: R552 984. Car allowance: R138 246.

² Payable as from 1 April 2002. Salary: R449 460. Car allowance: R112 365.

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	112 440	125 295	140 906	169 544	185 004	190 125	201 402
Personnel	79 858	81 809	89 055	104 772	127 676	131 506	135 451
Transfer payments	–	–	–	–	–	–	–
Other current	32 582	43 486	51 851	64 772	57 328	58 619	65 951
Capital	15 633	10 023	19 652	12 000	20 979	18 796	17 465
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	15 633	10 023	19 652	12 000	20 979	18 796	17 465
Total	128 073	135 318	160 558	181 544	205 983	208 921	218 867
Standard items of expenditure							
Personnel	79 858	81 809	89 055	104 772	127 676	131 506	135 451
Administrative	24 154	29 873	35 137	33 035	30 219	33 672	37 177
Inventories	3 747	3 143	4 311	3 882	3 755	3 811	3 868
Equipment	11 903	8 554	19 884	23 626	25 004	25 304	20 534
Land and buildings	–	–	–	–	–	–	–
Professional and special services	7 115	11 338	12 163	14 560	19 318	14 461	21 665
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	1 296	601	8	1 669	11	167	172
Total	128 073	135 318	160 558	181 544	205 983	208 921	218 867

Expenditure trends

Spending on *Administration* will increase at an average annual rate of 9,3 per cent over the seven-year period. This is attributable to the increased involvement of South Africa in global issues, especially peace and security processes. The other main contributor to the increase is Corporate Services, the bulk of which is personnel-related costs. Expenditure on the acquisition of capital assets over the medium term exceeds the level of 2002/03 due to the Department's drive to improve infrastructure both at head office and in missions abroad.

The Department is in a process of strengthening its monitoring mechanisms through the Management Consultancy Unit (MCU) and Internal Audit to bring the Department in line with the Public Finance Management Act (1 of 1999) (PFMA) requirements. The Department has made provision for the restructuring of the Foreign Service Institute (FSI), which is responsible for training and preparing officials before they are transferred abroad.

Programme 2: Foreign Relations

This programme promotes relations with foreign countries and facilitates the Department's participation in international organisations and institutions, in pursuit of South Africa's national values and foreign policy objectives. While all the objectives are applicable to all regions, the emphasis may differ depending on current circumstances or anticipated developments in a particular region.

Expenditure estimates

Table 3.4: Foreign Relations

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Bilateral Relations Management							
Africa and Middle East	18 745	21 951	32 221	236 641	112 675	114 666	125 001
Asia and Australasia	8 514	9 426	10 110	8 644	11 078	12 854	12 565
Americas and Europe	11 814	12 339	14 339	36 250	29 446	31 508	33 398
Multilateral	65 755	21 867	132 990	33 413	42 028	44 970	47 668
Diplomatic Representation							
Africa and Middle East	163 849	196 919	309 845	422 446	457 023	516 959	597 304
Asia and Australasia	176 948	198 048	269 090	214 599	213 635	237 544	258 788
Americas and Europe	483 400	465 114	627 206	658 444	695 695	742 988	808 467
Multilateral	65 623	95 942	134 013	135 610	104 415	152 041	167 368
Total	994 648	1 021 606	1 529 814	1 746 047	1 665 995	1 853 530	2 050 559
Change to 2002 Budget Estimate				141 600	17 824	97 945	

Economic classification

Current	936 609	976 960	1 455 627	1 645 274	1 589 798	1 784 962	1 969 812
Personnel	611 803	650 785	934 078	1 062 732	1 059 143	1 179 816	1 306 597
Transfer payments	–	–	–	–	–	–	–
Other current	324 806	326 175	521 549	582 542	530 655	605 146	663 215
Capital	58 039	44 646	74 187	100 773	76 197	68 568	80 747
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	58 039	44 646	74 187	100 773	76 197	68 568	80 747
Total	994 648	1 021 606	1 529 814	1 746 047	1 665 995	1 853 530	2 050 559

Standard items of expenditure

Personnel	611 803	650 785	934 078	1 062 732	1 059 143	1 179 816	1 306 597
Administrative	125 177	116 083	238 139	247 690	227 137	250 737	275 531
Inventories	19 566	19 471	23 882	47 601	26 896	29 960	33 179
Equipment	34 559	28 373	44 934	71 071	47 643	53 072	58 775
Land and buildings	120 867	134 364	194 109	180 563	190 746	212 479	235 312
Professional and special services	80 373	70 519	94 214	134 254	112 091	124 861	138 280
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	2 303	2 011	458	2 136	2 339	2 605	2 885
Total	994 648	1 021 606	1 529 814	1 746 047	1 665 995	1 853 530	2 050 559

Expenditure trends

Spending on the *Foreign Relations* programme averages 74 per cent of total expenditure on the Vote over the seven-year period. The major cost driver is exchange rate fluctuations. The increase in spending can also be attributed to the ongoing expansion of foreign representation in Africa, the Middle East and Asia. Sixteen new missions are expected to be opened in Africa over the medium term.

Service delivery objectives and indicators

Recent outputs

Foreign Relations played a significant role in the transition of the Organisation of African Unity (OAU) to the African Union (AU), by hosting the AU Summit in July 2002. It also assumed its role as chair of the AU, which will continue in 2003. The hosting of the World Summit on Sustainable Development gave South Africa the opportunity to promote NEPAD principles. *Foreign Relations* has also been involved in the improvement of both regional and continental structures, for example SADC and its institutions.

During 2002/03 new missions were opened in Africa (Bamako) and Asia (Shanghai, Hanoi, Muscat), and the Middle East (Doha). A new mission will be opened in Lubumbashi by the end of 2002/03 to facilitate South Africa's responsibilities for the implementation and monitoring of the programme for the implementation of the agreement signed by the government and the various parties involved in the conflict in the Democratic Republic of the Congo. The Department has been involved in various peace processes with particular reference to the African continent.

Medium-term output targets

Foreign Relations

Measurable objective: To promote South Africa's foreign policy internationally and within multilateral institutions, through diplomatic interventions to strengthen foreign relations.

Subprogramme	Output	Measure/Indicator	Target
Bilateral Relations Management	An operational African Union	Establishment of the remaining organs of the AU	December 2003
	Restructured Southern African Development Community (SADC) and Southern African Customs Union (SACU) institutions	Finalisation of the Strategic Indicative Plan and the SADC Mutual Defence Pact	July 2003
		Finalisation of policy guidelines for the creation of SACU institutions and set criteria for the location of SACU secretariat headquarters	March 2004
	African peer review mechanism	Effective peer review mechanism for NEPAD established	May 2003
	Participation in selected UN and AU peace-keeping operations	Regional, sub-regional, and national mechanisms to deal with human crisis situations	African countries
	Protocols for the AU Court of Justice and financial institutions, namely: the African Bank, the African Monetary Fund and the African Investment Bank	Protocols established	March 2004
	Africa Day 40 th anniversary celebrations	Effective co-ordination of celebrations at national, continental and international levels	Successful events held on 25 May 2003
	Economic development	Attracting foreign direct investment and increasing number of trading opportunities	Eastern Europe, Asia and Americas
Diplomatic Representation	Effective multilateral relations	Successful participation in multilateral institutions	Ratification of all agreements
	Increased foreign representation	Number of new missions opened in Africa	16 by 2005/06

Programme 3: Public Diplomacy and Protocol

This programme markets South Africa's foreign policy objectives, projects a positive image of South Africa and Africa, and provides state protocol services.

- Public Diplomacy addresses media liaison, engagement with national stakeholders, and the promotion of South Africa's policies and programmes at home and internationally.
- Protocol deals with protocol administration, protocol ceremonial services, state visits, diplomatic liaison, and intergovernmental or provincial protocol services; organises international conferences; and manages guesthouses.

Expenditure estimates

Table 3.5: Public Diplomacy and Protocol

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Public Diplomacy	4 607	7 920	16 583	17 058	19 552	20 335	21 555
Protocol	31 464	26 521	36 797	38 012	43 189	46 213	48 985
Total	36 071	34 441	53 380	55 070	62 741	66 548	70 540
Change to 2002 Budget Estimate				1 300	2 650	4 996	
Economic classification							
Current	36 071	34 441	52 830	54 510	61 271	65 248	69 174
Personnel	14 684	15 412	25 746	30 067	37 033	39 280	41 636
Transfer payments	–	–	–	–	–	–	–
Other current	21 387	19 029	27 084	24 443	24 238	25 968	27 538
Capital	–	–	550	560	1 470	1 300	1 366
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	–	–	550	560	1 470	1 300	1 366
Total	36 071	34 441	53 380	55 070	62 741	66 548	70 540
Standard items of expenditure							
Personnel	14 684	15 412	25 746	30 067	37 033	39 280	41 636
Administrative	13 940	7 306	12 676	12 286	11 614	12 319	13 058
Inventories	660	2 609	2 970	2 078	1 976	2 096	2 222
Equipment	–	79	1 007	560	1 568	1 663	1 763
Land and buildings	–	–	–	–	–	–	–
Professional and special services	–	90	1 445	1 473	1 828	1 939	2 055
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	6 787	8 945	9 536	8 606	8 722	9 251	9 806
Total	36 071	34 441	53 380	55 070	62 741	66 548	70 540

Expenditure trends

The Department has expanded its activities in the traditional area of diplomacy in order to derive the maximum benefit for the country. The main cost driver in the *Public Diplomacy and Protocol* programme was thus the positive projection of South Africa domestically and internationally, which has resulted in an increase in expenditure between 2001/02 and 2005/06. The restructuring process has also contributed to the increased expenditure.

In the Protocol subprogramme, the decline in expenditure in 2000/01 is attributable to the transfer of responsibility for presidential households to the Presidency. However, the role of Protocol has increased significantly with state visits, hosting international conferences, and South Africa's role in the international arena. The Department of Foreign Affairs is also in the process of establishing state protocol lounges in Cape Town and Durban.

Service delivery objectives and indicators

Recent outputs

Protocol services provided during 2002/03 include making a contribution to the successful hosting of the Summit on the Non-aligned Movement (NAM) held in April 2002, the African Union Summit held in July 2002, and the World Summit on Sustainable Development held in September 2002. Protocol also serviced the diverse needs of 186 accredited missions to South Africa.

Medium-term output targets

Public Diplomacy and Protocol

Measurable objective: To project a positive image of South Africa by marketing the Department's programmes and providing protocol services.

Subprogramme	Output	Measure/Indicator	Target
Public Diplomacy	Initiatives for marketing South Africa	Number of marketing campaigns hosted Participation in major international exhibitions Accuracy and frequency of media reporting on South Africa and its achievements at home and internationally Implementation of proactive communications strategy for international visits	3 marketing campaigns in Europe and Americas 15 Improved relations and co-operation with business, civil society, and media December 2003
Protocol	State protocol services to Government Diplomatic guesthouses and state protocol lounge Services to the National Council of Provinces (NCOP), and provincial and local government	Number of programmes for incoming and outgoing visits Proper management of houses and lounge at Johannesburg International Airport Qualitative and accurate advice and information provided to all spheres of Government	40 outgoing and 48 incoming visits 186 missions in South Africa 9 provinces, 284 local governments, 12 traditional monarchs

Programme 4: Foreign Properties

Foreign Properties provides secure, economical, representative housing and office accommodation to all staff members abroad (including partner departments), and maintains immovable properties abroad. Priorities are determined according to a needs analysis, which takes into account local property markets, political stability, environmental factors and South Africa's foreign policy objectives.

Expenditure estimates

Table 3.6: Foreign Properties

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Land, Buildings and Structures Abroad	7 855	47 443	47 090	131 156	48 226	53 049	56 232
Total	7 855	47 443	47 090	131 156	48 226	53 049	56 232
Change to 2002 Budget Estimate				94 576	5 600	7 865	

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Economic classification							
Current	-	-	-	-	-	-	-
Personnel	-	-	-	-	-	-	-
Transfer payments	-	-	-	-	-	-	-
Other current	-	-	-	-	-	-	-
Capital	7 855	47 443	47 090	131 156	48 226	53 049	56 232
Transfer payments	-	-	-	-	-	-	-
Acquisition of capital assets	7 855	47 443	47 090	131 156	48 226	53 049	56 232
Total	7 855	47 443	47 090	131 156	48 226	53 049	56 232
Standard items of expenditure							
Personnel	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Land and buildings	7 855	47 443	19 454	107 585	27 060	42 725	44 063
Professional and special services	-	-	27 636	23 571	21 166	10 324	12 169
Transfer payments	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total	7 855	47 443	47 090	131 156	48 226	53 049	56 232

Expenditure trends

During 2000/01 the function of *Foreign Properties* was taken over from the Department of Public Works. The Department of Foreign Affairs has under-spent on this programme due to the time lag between the commitment of funds and construction. During 2002/03, the Department finalised all the projects taken over from the Department of Public Works. There is a backlog in the refurbishment of South Africa's properties abroad, which needs to be addressed over the medium term.

Service delivery objectives and indicators

Recent outputs

Unfinished work on the property in Kinshasa will be completed by the end of 2002/03, but the work on the Berlin property will only be completed in 2003/04. Refurbishment of the property in Tokyo was completed. Although the disposal of properties in Windhoek, Walvis Bay, Lilongwe, Blantyre, Zurich, Funchal and Brussels have been approved in principle, no progress was made on their disposal.

No progress has been made on a proposed Foreign Properties Bill, as a number of issues are still unresolved.

Medium-term output targets**Foreign Properties**

Measurable objective: To acquire and maintain South Africa's properties abroad in a cost-effective manner in order to facilitate delivery of foreign policy objectives.

Subprogramme	Output	Measure/Indicator	Target
Land, Buildings and Structures Abroad	Construction of state-owned foreign properties	Berlin project completed	December 2003
	Maintenance and refurbishment of state-owned foreign properties	Timely completion of 3 refurbishment projects	Lilongwe by September 2003, Rome by November 2003, and Copenhagen by February 2004
	Disposal of state-owned foreign properties	Successful and timely selling of 3 properties	Germany, Namibia and Portugal by March 2004

Programme 5: Auxiliary and Associated Services

Auxiliary and Associated Services provides for the payment of international organisations, and renders an administrative support service to all officials on transfer abroad. It also makes provision for the inauguration of the President. The activities are organised into the following subprogrammes:

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

Expenditure estimates

Table 3.7: Auxiliary and Associated Services

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
International Organisations	110 653	129 332	119 143	317 807	201 673	212 764	225 530
Administrative Support	51 075	51 200	84 624	48 000	58 937	61 874	67 387
Bilateral Aid and Technical Assistance	3 200	15 882	–	–	–	–	–
Presidential Inauguration	43 305	–	–	–	–	40 000	–
Total	208 233	196 414	203 767	365 807	260 610	314 638	292 917
Change to 2002 Budget Estimate				198 500	93 303	145 331	

Economic classification

Current	200 081	196 414	203 767	365 807	260 610	314 638	292 917
Personnel	–	–	–	–	–	–	–
Transfer payments	113 853	130 165	119 143	317 807	201 673	212 764	225 530
Other current	86 228	66 249	84 624	48 000	58 937	101 874	67 387
Capital	8 152	–	–	–	–	–	–
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	8 152	–	–	–	–	–	–
Total	208 233	196 414	203 767	365 807	260 610	314 638	292 917

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
Standard items of expenditure							
Personnel	-	-	-	-	-	-	-
Administrative	71 913	66 249	84 624	48 000	58 937	101 874	67 387
Inventories	11 500	-	-	-	-	-	-
Equipment	8 152	-	-	-	-	-	-
Land and buildings	-	-	-	-	-	-	-
Professional and special services	2 815	-	-	-	-	-	-
Transfer payments	113 853	130 165	119 143	317 807	201 673	212 764	225 530
Miscellaneous	-	-	-	-	-	-	-
Total	208 233	196 414	203 767	365 807	260 610	314 638	292 917

Transfer payments per subprogramme

International Organisations							
United Nations: Membership Fees	65 672	76 073	76 000	78 881	76 000	76 000	80 000
United Nations Development Programme	954	970	8 536	4 529	950	950	950
Humanitarian Aid	8 125	10 788	6 600	6 858	10 000	10 000	13 000
African Union	12 603	14 165	14 500	15 059	14 500	18 000	20 000
Commonwealth: Membership Fees	5 982	4 928	7 000	7 344	7 000	7 000	7 000
Southern African Development Community: Membership Fees	2 540	2 998	2 620	2 663	8 620	10 000	12 665
Bureau of International Exposition: Membership Fees	-	16	-	-	25	25	25
African Caribbean and Pacific	-	2 510	-	-	1 100	1 100	2 200
Comprehensive Test Ban Treaty	-	1 787	-	-	1 420	1 985	1 986
Bacterial and Toxic Weapons Convention	-	48	-	-	414	414	414
South Centre	-	-	-	-	1 000	1 000	1 000
Indian Ocean Rim Research Centre: Witwatersrand	-	-	-	-	120	120	120
Perrez-Guerrero Trust Fund	-	-	-	-	50	50	50
Nepad	-	-	-	-	20 000	20 000	20 000
United Nations Development Programme: Local Office Costs	-	-	-	19 200	4 400	9 000	9 000
Other International Organisations	4 136	-	3 887	3 973	5 954	7 000	7 000
African Renaissance Fund	-	-	-	-	50 000	50 000	50 000
Manpower Secondments	-	264	-	-	-	-	-
Technical and Other Assistance	13 841	15 498	-	-	-	-	-
Research Assistance: Maritime Law Institute	-	120	-	-	120	120	120
World Food Programme	-	-	-	170 000	-	-	-
Commonwealth Fund for Technical Co-operation	-	-	-	9 300	-	-	-
Total	113 853	130 165	119 143	317 807	201 673	212 764	225 530

Expenditure trends

The increase under the subprogramme International Organisations is due to increases in organisations' rates. The budget increase of 79,5 per cent in 2002/03 caters mainly for a R170 million transfer to the World Food Programme. The increase of 20,7 per cent in 2004/05 makes provision for the Presidential inauguration.

Service delivery objectives and indicators

Recent outputs

During 2002/03, transfers were made to institutions and organisations that South Africa engages with, and pays membership fees and contributions to, in order to contribute to multilateral development co-operation. These include the African Union, the African Renaissance Fund, NEPAD, SADC, and the UN and its associated organisations. A transfer of R170 million was made during the last quarter of 2002/03 to the World Food Programme to donate 100 000 tons of maize to countries in the SADC region most seriously affected by food shortages.

Medium-term output targets

Auxiliary and Associated Services

Measurable objective: To contribute to multilateral development co-operation.			
Subprogramme	Output	Measure/Indicator	Target
International Organisations	Payment of membership fees to international organisations	Membership fees and contributions paid in time	Meet due dates and be within budget
Administrative Support	The transfer programme	Successful implementation of the transfer programme	Transfer 266 families to and from South Africa and abroad

Other departmental accounts

African Renaissance and International Co-operation Fund

The African Renaissance and International Co-operation Fund Act (51 of 2001) was promulgated on 22 January 2001 and provides for the establishment of the African Renaissance and International Co-operation Fund to enhance international co-operation in Africa and confirm South Africa's commitment to Africa. The Department of Foreign Affairs is responsible, in consultation with the National Treasury, for the administration of the Fund.

The establishment of the Fund will enable Government to identify and fund:

- Co-operation 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 will be funded through money appropriated by Parliament, loans repaid to the Fund and interest on any loans made, and other sources.

A provision of R15 million has been made to the Department over the MTEF period and in addition the balance in the previous Economic Co-operation Loan Fund will be used as initial seed capital. However, for the following financial years provision will be made for topping up to ensure the liquidity of the Fund.

Activities of the Fund will include implementing identified projects and raising funds.

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 personnel numbers and costs

Table 3.12: Summary of expenditure on training

Table 3.13: Summary of information and communications technology expenditure

Table 3.14: Summary of expenditure on infrastructure

Table 3.8: Summary of expenditure trends and estimates per programme

	Expenditure outcome								Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome	Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Current	Capital	Total	2004/05	2005/06
	1999/00	2000/01	2001/02									
R thousand					2002/03				2003/04			
1 Administration	128 073	135 318	160 558	217 194	(35 650)	181 544	181 544	185 004	20 979	205 983	208 921	218 867
2 Foreign Relations	994 648	1 021 606	1 529 814	1 604 447	141 600	1 746 047	1 746 047	1 589 798	76 197	1 665 995	1 853 530	2 050 559
3 Public Diplomacy and Protocol	36 071	34 441	53 380	53 770	1 300	55 070	55 070	61 271	1 470	62 741	66 548	70 540
4 Foreign Properties	7 855	47 443	47 090	36 580	94 576	131 156	101 156	–	48 226	48 226	53 049	56 232
5 Auxiliary and Associated Services	208 233	196 414	203 767	167 307	198 500	365 807	345 807	260 610	–	260 610	314 638	292 917
Total	1 374 880	1 435 222	1 994 609	2 079 298	400 326	2 479 624	2 429 624	2 096 683	146 872	2 243 555	2 496 686	2 689 115
Change to 2002 Budget Estimate						400 326	350 326			102 879	238 014	

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

	Expenditure outcome				Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate			
	Audited	Audited	Preliminary outcome	Current					Capital	Total		
	1999/00	2000/01	2001/02									
R thousand	1999/00	2000/01	2001/02		1 943 863	291 272	2 235 135	2 215 135	2 096 683	2003/04	2004/05	2005/06
Current	1 285 201	1 333 110	1 853 130		1 169 503	28 068	1 197 571	1 197 571	1 223 852	-	2 354 973	2 533 305
Personnel	706 345	748 006	1 048 879		752 652	16 162	768 814	768 814	778 975	-	1 350 602	1 483 684
Salaries and wages	336 172	370 371	461 350		416 851	11 906	428 757	428 757	444 877	-	871 126	928 434
Other	370 173	377 635	587 529		119 307	198 500	317 807	317 807	201 673	-	479 476	555 250
Transfer payments	113 853	130 165	119 143		-	-	-	-	-	-	212 764	225 530
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	113 853	130 165	119 143		119 307	198 500	317 807	317 807	201 673	-	212 764	225 530
Other	465 003	454 939	685 108		655 053	64 704	719 757	699 757	671 158	-	791 607	824 091
Capital	89 679	102 112	141 479		135 435	109 054	244 489	214 489	-	146 872	141 713	155 810
Transfer payments	-	-	-		-	-	-	-	-	-	-	-
Other levels of government	-	-	-		-	-	-	-	-	-	-	-
Other capital transfers	-	-	-		-	-	-	-	-	-	-	-
Movable capital	81 824	54 669	94 389		98 855	14 478	113 333	113 333	-	98 646	88 664	99 578
Motor vehicles (transport)	4 996	1 610	3 918		3 820	-	3 820	3 820	-	5 104	3 428	3 739
Equipment - Computers	18 784	10 929	22 264		35 947	(11 000)	24 947	24 947	-	40 988	31 253	32 207
Equipment - Other office equipment	21 890	13 820	30 803		28 224	7 367	35 591	35 591	-	29 207	23 566	23 746
Other	36 154	28 310	37 404		30 864	18 111	48 975	48 975	-	23 347	30 417	39 886
Fixed capital	7 855	47 443	47 090		36 580	94 576	131 156	101 156	-	48 226	53 049	56 232
Land	-	-	-		-	-	-	-	-	-	-	-
Buildings	7 855	47 443	47 090		36 580	71 006	107 586	77 586	-	27 060	45 184	45 850
Infrastructure	-	-	-		-	-	-	-	-	-	-	-
Other	-	-	-		-	23 570	23 570	23 570	-	21 166	7 865	10 382
Total	1 374 880	1 435 222	1 994 609		2 079 298	400 326	2 479 624	2 429 624	2 096 683	146 872	2 496 686	2 689 115

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

	Expenditure outcome			Main appropriation	Additional appropriation	Adjusted appropriation	Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome					Current	Capital	Total		
R thousand	1999/00	2000/01	2001/02		2002/03			2003/04		2004/05	2005/06	
Personnel	706 345	748 006	1 048 879	1 169 503	28 068	1 197 571	1 197 571	1 223 852	-	1 223 852	1 350 602	1 483 684
Administrative	235 184	219 511	370 576	299 205	41 806	341 011	321 011	327 907	-	327 907	398 602	393 153
Inventories	35 473	25 223	31 163	44 049	9 512	53 561	53 561	32 627	-	32 627	35 867	39 269
Equipment	54 614	37 006	65 825	98 210	(2 953)	95 257	95 257	51 941	22 274	74 215	80 039	81 072
Land and buildings	128 722	181 807	213 563	209 143	79 005	288 148	258 148	190 746	27 060	217 806	255 204	279 375
Professional and special services	90 303	81 947	135 458	128 857	45 001	173 858	173 858	56 865	97 538	154 403	151 585	174 169
Transfer payments	113 853	130 165	119 143	119 307	198 500	317 807	317 807	201 673	-	201 673	212 764	225 530
Miscellaneous	10 386	11 557	10 002	11 024	1 387	12 411	12 411	11 072	-	11 072	12 023	12 863
Total	1 374 880	1 435 222	1 994 609	2 079 298	400 326	2 479 624	2 429 624	2 096 683	146 872	2 243 555	2 496 686	2 689 115

Table 3.11: Summary of personnel numbers and costs¹

Personnel numbers	1999/00	2000/01	2001/02	2002/03	2003/04
1 Administration	990	823	840	848	848
2 Foreign Relations	2 538	2 492	2 541	2 559	2 559
3 Public Diplomacy and Protocol	41	245	241	248	248
Total	3 569	3 560	3 622	3 655	3 655
Total personnel cost (R thousand)	706 345	748 006	1 048 879	1 197 571	1 243 199
Unit cost (R thousand)	197.9	210.1	289.6	327.7	340.1

¹ Full-time equivalent

Table 3.12: Summary of expenditure on training

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06
1 Administration	-	5 702	7 400	11 770	14 086	15 391	17 570
2 Foreign Relations	-	2 100	2 310	2 450	7 900	8 190	8 436
3 Public Diplomacy and Protocol	-	-	-	700	780	875	905
Total	-	7 802	9 710	14 920	22 766	24 456	26 911

Table 3.13: Summary of information and communications technology expenditure

	Expenditure outcome		Adjusted appropriation		Medium-term expenditure estimate		
	2001/02	2002/03	2002/03	2003/04	2004/05	2005/06	
R thousand	12 709	32 174	32 174	24 278	19 797	20 650	
1 Administration							
Technology	11 829	31 163	31 163	17 028	11 796	11 685	
IT services	880	1 011	1 011	7 250	8 001	8 965	
2 Foreign Relations							
Technology	10 146	7 697	7 697	33 464	28 349	32 155	
IT services	10 146	7 697	7 697	25 597	18 697	19 696	
IT services	-	-	-	7 867	9 652	12 459	
3 Public Diplomacy and Protocol							
Technology	-	300	300	1 258	760	826	
IT services	-	300	300	1 258	760	826	
IT services	-	-	-	-	-	-	
Total	22 855	40 171	40 171	59 000	48 906	53 631	

Table 3.14: Summary of expenditure on infrastructure

Projects	Description	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate			
		1999/00	2000/01	2001/02			2002/03	2003/04	2004/05	2005/06
R thousand										
Infrastructure programmes or large infrastructure projects	Building	-	-	-		36 580		33 000	-	-
	Building Chancery	-	-	-		36 580		-	-	-
		-	-	-		-		33 000	-	-
	State-owned buildings in Rome, Lilongwe and Copenhagen	7 855	47 443	48 380		-		9 625	45 184	47 895
	On State-owned Buildings abroad	7 855	47 443	48 380		-		9 625	-	-
	Procurement/Refurbishment in Africa	-	-	-		-		-	13 444	-
	Structural upgrading in Europe	-	-	-		-		-	19 740	-
	On State-owned Buildings abroad	-	-	-		-		-	12 000	-
	Procurement/Development in Africa	-	-	-		-		-	-	5 685
		-	-	-		-		-	-	42 210
Sub-total		7 855	47 443	48 380		36 580		42 625	45 184	47 895
Fixed installations transferred to households Maintenance on infrastructure		-	-	-		-		-	-	-
		-	-	-		-		-	-	-
		-	-	-		-		-	-	-
Total		7 855	47 443	48 380		36 580		42 625	45 184	47 895