

# Vote 3

## Foreign Affairs

	2005/06	2006/07	2007/08
	To be appropriated		
MTEF allocations of which:	R2 595 071 000	R2 916 584 000	R3 168 451 000
	Current payments R2 014 234 000	Transfers R348 927 000	Capital payments R231 910 000
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 formulating, co-ordinating, implementing and managing South Africa's foreign policy and international relations programmes throughout the world.*

### Programme purpose and measurable objective

#### Programme 1: Administration

**Purpose:** Conduct the overall management of the department and develop policy.

#### 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:** Promote South Africa's foreign policy internationally and in 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:** Project a positive image of South Africa by marketing the department's programmes and providing protocol services.

#### Programme 4: International Transfers

**Purpose:** Provide for the payment of membership fees to international organisations.

**Measurable objective:** Contribute to multilateral development co-operation.

## **Strategic overview and key policy developments: 2001/02 – 2007/08**

The role of the Department of Foreign Affairs is to realise South Africa's foreign policy objectives. These are guided by a commitment to promoting: human rights and democracy; justice and international law; international peace and internationally agreed mechanisms for resolving conflicts; Africa in world affairs; and economic development through regional and international co-operation. The department will continue to implement its strategic priorities in line with government's foreign policy objectives, outlined in the programme of the international relations, peace and security cluster. The department's priorities are: consolidating the African agenda, global governance, south-south co-operation, and strengthening bilateral relations.

### *Consolidation of the African agenda*

South Africa's development is inextricably linked to the development of Africa and the Southern African region. Africa currently faces the challenge of developing its institutions to combat the marginalisation of the continent, engaging global role-players on socio-economic development, and facilitating a fair and just global order.

### *The AU and NEPAD*

The AU is the most important institution on the continent. Through the Department of Foreign Affairs, South Africa has been playing an active role in setting up the AU and making it work. Key AU structures include: the AU Commission, which is currently being set up and is responsible for the day-to-day running of the AU; the Pan African Parliament, which was inaugurated in 2004 and is hosted by South Africa; and the Peace and Security Council, which is operational and whose role it is to prevent, manage and resolve conflicts.

South Africa is a key driver of NEPAD, a socio-economic initiative to promote good governance and eradicate poverty and create sustainable economic growth. The Department of Foreign Affairs will continue to facilitate implementing NEPAD's priority sectors, namely infrastructure, agriculture, environment, tourism, ICT, health, human resources, and science and technology. Attention will increasingly go to establishing structures in South Africa to enable South Africa to maximise the increased trade and investment benefits arising from NEPAD. South Africa is preparing for its review in 2005 by NEPAD's African peer review mechanism, an instrument voluntarily agreed to by AU member states for African self-monitoring.

### *Strengthening SADC*

SADC is a critical vehicle for Southern African regional development. South Africa has been engaged in restructuring SADC to enable it to execute evolving AU mandates and respond to changing development challenges. Considerable work has gone into setting up new institutions, as well as reviewing existing ones. From August 2004, the focus has been on chairing the SADC organ on politics, defence and security. One of the organ's main functions is to ensure that the regional peace and security arrangements are linked to continental arrangements. Another challenge is finalising the memorandum of understanding' between the AU Commission and Africa's regional economic communities to ensure a co-ordinated interface for addressing AU themes and activities.

### *Peace, stability and post-conflict reconstruction in Africa*

Socio-economic development and peace and stability are very closely connected. Political conflicts in Africa undermine efforts to bring about sustainable development. The focus of the department is increasingly on actively engaging in and providing tangible support to Africa's regional peace processes. This is in response to the need to create an enabling environment for sustainable socio-economic development in all regions. South Africa has established strong strategic partnerships

with Tanzania, Rwanda, Burundi, and the Democratic Republic of Congo; the AU has mandated South Africa to mediate a peace settlement in Côte d'Ivoire; and South Africa is chairing the AU mandated committee on post-conflict reconstruction in Sudan.

#### *Global governance*

The key political focus is the reform of the UN. The UN Secretary General appointed a high level panel to make recommendations on improved collective action on future threats to global peace and security. The Secretary General is expected to issue a comprehensive report to UN member states in March 2005. The department will lead the process to develop a national position for South Africa on UN reform.

In the area of global peace and security, South Africa is responding to the need to work with international organisations and adhere to international norms and standards. The department's focus areas are terrorism, weapons of mass destruction, Iraq, the Middle East and organised crime.

A key economic development challenge for South Africa is to continue to advance development issues in international debates. The department will continue to actively engage in: reforming the international financial institutions, such as the IMF and the World Bank, to ensure that African concerns are heard, especially about reducing and cancelling African debt; multilateral trade talks, in particular the Doha round; and following up on the implementation of the recommendations of international social and economic conferences.

#### *South-south co-operation*

Developing countries share many socio-economic and political interests in the global arena, and should seize opportunities for co-operation and adopt a common approach. Key initiatives that the department is currently involved in include the India-Brazil-South Africa Dialogue Forum and the Asia-Africa Sub-Regional Organisations Conference.

The India-Brazil-South Africa Dialogue Forum is of strategic importance to South Africa. Through it, the three countries have already identified areas of co-operation, such as UN reform, trade negotiations and how to attain the Millennium Development Goals of reducing poverty and hunger, promoting primary education, gender equality and women's empowerment, and combating HIV and Aids and malaria.

South Africa will play a key role in the Asia Africa Summit, which will take place in Bandung, Indonesia, in April 2005. The summit will see the launch of a new Asian-African strategic partnership focusing on economic issues, trade, investment, health and human resources development.

The G-77 summit, to be held in Qatar in 2005, will be an opportunity to assess the state of south-south co-operation and to determine how such co-operation might improve developing countries' progress in achieving the Millennium Development Goals.

## Expenditure estimates

Table 3.1: Foreign Affairs

Programme	Expenditure outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome					
R thousand	2001/02	2002/03	2003/04	2004/05		2005/06	2006/07	2007/08
1. Administration	289 768	322 785	342 502	408 624	393 624	456 549	508 158	537 766
2. Foreign Relations	1 529 824	1 643 854	1 391 978	1 694 238	1 643 101	1 699 874	1 945 535	2 134 268
3. Public Diplomacy and Protocol	55 874	61 949	78 645	144 802	144 802	90 118	94 361	83 710
4. International Transfers	119 143	310 813	315 555	298 985	298 985	348 530	368 530	412 707
<b>Total</b>	<b>1 994 609</b>	<b>2 339 401</b>	<b>2 128 680</b>	<b>2 546 649</b>	<b>2 480 512</b>	<b>2 595 071</b>	<b>2 916 584</b>	<b>3 168 451</b>
Change to 2004 Budget estimate				60 835	(5 302)	(104 219)	12 564	119 230
<b>Economic classification</b>								
<b>Current payments</b>	<b>1 731 897</b>	<b>1 838 345</b>	<b>1 646 221</b>	<b>2 046 693</b>	<b>1 995 556</b>	<b>2 014 234</b>	<b>2 291 276</b>	<b>2 478 777</b>
Compensation of employees	1 050 174	1 077 750	953 354	1 235 919	1 220 782	1 399 758	1 497 741	1 612 483
Goods and services	680 804	759 195	692 867	810 774	774 774	614 476	793 535	866 294
<i>of which:</i>								
<i>Public transport</i>	59 848	78 717	50 466	62 597	62 597	70 804	69 752	73 240
<i>Communication</i>	39 546	31 600	49 354	50 354	50 354	52 880	66 652	69 985
<i>Rent: Offices</i>	147 159	151 764	153 829	189 942	189 942	194 272	227 128	238 484
<i>Rent: Residences</i>	45 732	43 402	59 297	59 917	59 917	61 057	64 721	67 957
<i>Travel and subsistence</i>	42 789	47 067	43 611	41 223	41 223	43 305	44 067	45 511
<i>Departmental entertainment</i>	13 085	16 829	22 132	23 697	23 697	24 371	24 678	25 761
Financial transactions in assets and liabilities	919	1 400	—	—	—	—	—	—
<b>Transfers and subsidies to:</b>	<b>119 467</b>	<b>312 258</b>	<b>315 930</b>	<b>299 409</b>	<b>299 409</b>	<b>348 927</b>	<b>368 951</b>	<b>413 149</b>
Provinces and municipalities	324	398	375	424	424	397	421	442
Departmental agencies and accounts	—	1 047	—	—	—	—	—	—
Foreign governments and international organizations	119 143	310 813	315 555	298 985	298 985	348 530	368 530	412 707
<b>Payments for capital assets</b>	<b>143 245</b>	<b>188 798</b>	<b>166 529</b>	<b>200 547</b>	<b>185 547</b>	<b>231 910</b>	<b>256 357</b>	<b>276 525</b>
Buildings and other fixed structures	48 940	84 319	67 440	77 981	77 981	112 232	119 605	130 785
Machinery and equipment	93 585	90 793	99 089	119 566	104 566	119 678	136 752	145 740
Software and other intangible assets	—	—	—	3 000	3 000	—	—	—
Land and subsoil assets	720	13 686	—	—	—	—	—	—
<b>Total</b>	<b>1 994 609</b>	<b>2 339 401</b>	<b>2 128 680</b>	<b>2 546 649</b>	<b>2 480 512</b>	<b>2 595 071</b>	<b>2 916 584</b>	<b>3 168 451</b>

## Expenditure trends

Expenditure is expected to increase steadily over the next three years, rising from R2,5 billion in 2004/05 to R3,2 billion in 2007/08, an annual average increase of 7,6 per cent. This is slightly slower growth than over the last three years. About two-thirds of expenditure is in foreign currencies, so overall rand expenditure is heavily influenced by the exchange rate. This was an important driver of the large increase in expenditure in 2002/03 and the subsequent fall in 2003/04.

Expenditure on capital assets is expected to increase significantly over the next three years, increasing at an annual average rate of 11,3 per cent to reach R276,5 million in 2007/08. This is mainly due to the investment in new missions and the move to a new head office in Pretoria.

In the 2005 Budget, the department received additional allocations of R144,7 million, R189,9 million and R 260,9 million over the MTEF period. This will be for: increasing funding to the Pan-African Parliament; supporting participation in the AU; and buying properties abroad where renting is not cost-effective in the long run. In addition the extra funds will support the automation of departmental business processes, particularly links between South Africa and external missions.

## 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.)

**Table 3.2: Departmental receipts**

	Receipts outcome			Adjusted appropriation	Medium-term receipts estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Sales of goods and services produced by department	29 950	14 651	12 010	11 008	15 019	15 921	16 717
Interest, dividends and rent on land	3 035	240	4 550	6 000	4 550	4 823	5 064
Sales of capital assets	33 934	15 000	7 067	108 150	–	–	–
<b>Total</b>	<b>66 919</b>	<b>29 891</b>	<b>23 627</b>	<b>125 158</b>	<b>19 569</b>	<b>20 744</b>	<b>21 781</b>

## Programme 1: Administration

*Administration* manages the department and develops policy. It provides for policy formulation by the minister, the deputy ministers, the director-general and other members of the department's management. Other functions include: organising the department; providing streamlined and co-ordinated administrative office support and parliamentary services; managing personnel and finances; deciding on working methods and procedures; exercising internal control; and providing the internal audit function. The programme also provides consular and agency services in Pretoria and abroad, and buys vehicles for the department. It is also responsible for secure and economical housing and offices for all staff members abroad.

## Expenditure estimates

**Table 3.3: Administration**

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Minister <sup>1</sup>	778	10 860	809	791	843	898	942
Deputy Ministers <sup>2</sup> and <sup>3</sup>	636	4 235	958	1 286	1 339	1 426	1 497
Management	7 004	4 517	24 961	16 754	18 988	14 701	15 436
Corporate Services	234 148	215 469	237 600	284 263	296 353	349 440	365 913
Government Motor Transport	–	–	572	600	900	900	945
Statutory	–	4	–	–	–	–	–
Foreign and Domestic Properties Management	47 202	87 700	77 602	104 930	138 126	140 793	153 033
<b>Total</b>	<b>289 768</b>	<b>322 785</b>	<b>342 502</b>	<b>408 624</b>	<b>456 549</b>	<b>508 158</b>	<b>537 766</b>
Change to 2004 Budget estimate				41 712	17 000	36 000	42 000

<sup>1</sup> Payable as from 1 April 2004. Salary: R633 061. Car allowance: R158 258.

<sup>2</sup> Payable as from 1 April 2004. Salary: R514 537. Car allowance: R128 634.

<sup>3</sup> Payable as from 1 April 2004. Salary: R491 157. Car allowance: R122 789.

### Economic classification

<b>Current payments</b>	<b>222 900</b>	<b>227 830</b>	<b>261 228</b>	<b>297 876</b>	<b>306 676</b>	<b>338 760</b>	<b>352 548</b>
Compensation of employees	95 836	102 294	108 714	152 606	166 110	175 359	184 127
Goods and services	127 064	124 136	152 514	145 270	140 566	163 401	168 421
of which:							
Public transport	6 937	4 476	5 704	17 000	22 020	18 041	18 943
Travel and subsistence	6 267	6 936	7 671	8 484	9 383	9 946	10 443
Government garage	2 650	886	4 207	7 227	7 233	7 667	8 050
Transport contractors	–	2 869	19 663	17 000	17 000	18 020	18 921
Communication	10 451	13 234	11 932	9 000	10 000	10 589	10 928
Financial transactions in assets and liabilities	–	1 400	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>47</b>	<b>52</b>	<b>67</b>	<b>77</b>	<b>76</b>	<b>81</b>	<b>85</b>
Provinces and municipalities	47	52	67	77	76	81	85
<b>Payments for capital assets</b>	<b>66 821</b>	<b>94 903</b>	<b>81 207</b>	<b>110 671</b>	<b>149 797</b>	<b>169 317</b>	<b>185 133</b>
Buildings and other fixed structures	48 314	76 833	67 440	77 981	112 232	119 605	130 785
Machinery and equipment	18 507	18 070	13 767	32 690	37 565	49 712	54 348
<b>Total</b>	<b>289 768</b>	<b>322 785</b>	<b>342 502</b>	<b>408 624</b>	<b>456 549</b>	<b>508 158</b>	<b>537 766</b>

### Expenditure trends

Expenditure on *Administration* is expected to continue to increase steadily, rising from R289,8 million in 2001/02 to R537,8 million in 2007/08, an annual average increase of 10,9 per cent. The *Corporate Services* subprogramme takes up the bulk of expenditure, which goes towards maintaining consular services.

The programme also provides for the properties the department uses. Accelerated expenditure on maintenance and refurbishment and for buying properties is reflected in the growth in the *Foreign and Domestic Properties Management* subprogramme. Over the next three years, the department will improve and modernise its ICT. Provision has also been made for: restructuring the Foreign Service Institute; the learnership programme; and a feasibility study on appropriate procurement options for the acquisition of properties abroad.

Allocations to the programme contain additional funds in the 2005 Budget of R14 million for 2005/06, R33 million for 2006/07 and R42 million for 2007/08, for buying and maintaining properties, ICT infrastructure and travel costs.

## Programme 2: Foreign Relations

*Foreign Relations* promotes relations with foreign countries and facilitates the department's participation in international organisations and institutions, in line with South Africa's national values and foreign policy objectives.

It has 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			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Bilateral Relations Management							
Africa	32 221	133 964	109 857	134 334	249 501	273 185	270 599
Asia and Australasia	10 110	8 644	8 951	41 261	46 561	50 134	66 291
Americas and Europe	14 339	36 250	37 899	32 133	46 698	57 500	60 375
Multilateral	132 990	33 413	30 274	44 792	61 838	65 548	68 825
Diplomatic Representation							
Africa	309 854	422 446	373 188	464 852	396 134	479 134	531 304
Asia and Australasia	269 090	212 118	175 771	262 781	220 021	248 215	270 227
Americas and Europe	627 206	685 225	567 739	615 928	593 094	674 899	761 574
Multilateral	134 014	111 794	88 299	98 157	86 027	96 920	105 073
<b>Total</b>	<b>1 529 824</b>	<b>1 643 854</b>	<b>1 391 978</b>	<b>1 694 238</b>	<b>1 699 874</b>	<b>1 945 535</b>	<b>2 134 268</b>
Change to 2004 Budget estimate				(56 782)	(205 619)	(127 836)	(42 772)

### Economic classification

	1 453 514	1 549 936	1 306 912	1 610 097	1 618 919	1 859 723	2 044 165
<b>Current payments</b>							
Compensation of employees	934 078	947 500	814 717	1 048 727	1 180 756	1 266 559	1 369 487
Goods and services	519 436	602 436	492 195	561 370	438 163	593 164	674 678
of which:							
Public Transport	43 044	67 383	40 120	41 955	43 866	46 498	48 823
Travel and subsistence	18 479	20 438	37 596	37 783	39 503	52 473	55 097
Rent: Offices	140 999	143 489	138 510	174 503	178 739	210 663	221 196
Rent: Residences	45 559	40 077	41 204	41 824	42 962	45 540	47 817
Communication	29 808	30 908	31 583	30 677	31 782	31 989	32 985
Departmental entertainment	9 463	12 055	17 637	18 798	18 898	18 987	19 898
<b>Transfers and subsidies to:</b>	<b>229</b>	<b>1 331</b>	<b>221</b>	<b>235</b>	<b>208</b>	<b>220</b>	<b>231</b>
Provinces and municipalities	229	284	221	235	208	220	231
Departmental agencies and accounts	–	1 047	–	–	–	–	–

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary				
	2001/02	2002/03	outcome 2003/04		2005/06	2006/07	2007/08
<b>Payments for capital assets</b>	<b>76 081</b>	<b>92 587</b>	<b>84 845</b>	<b>83 906</b>	<b>80 747</b>	<b>85 592</b>	<b>89 872</b>
Buildings and other fixed structures	626	7 486	–	–	–	–	–
Machinery and equipment	74 735	71 415	84 845	83 906	80 747	85 592	89 872
Land and subsoil assets	720	13 686	–	–	–	–	–
<b>Total</b>	<b>1 529 824</b>	<b>1 643 854</b>	<b>1 391 978</b>	<b>1 694 238</b>	<b>1 699 874</b>	<b>1 945 535</b>	<b>2 134 268</b>

## Expenditure trends

Expenditure on *Foreign Relations* is heavily affected by exchange rate fluctuations. The expected increase in expenditure over the next three years will go towards the ongoing expansion of foreign representation in Africa, the Middle East and Asia: the department plans to open at least three missions a year. Expenditure is expected to rise from R1,7 billion in 2004/05 to R2,1 billion in 2007/08, an annual average increase of 8 per cent.

The main movements in expenditure are in the *Bilateral Relations Management* subprogramme. There has been very rapid growth in the *Africa* subsubprogramme, with the *Asia and Australasia* and *Americas and Europe* subsubprogrammes also seeing strong growth.

In the 2005 Budget, additional amounts of R61,7 million, R67,9 million and R98,9 million have been allocated over the next three years, of which R61,7 million, R51,9 million and R51,9 million each year will be used for the operational activities of the Pan-African Parliament.

## Service delivery objectives and indicators

### Recent outputs

During 2004, much has been achieved in promoting the African agenda, including efforts to promote the more effective functioning of the regional economic communities and the organs of the AU and NEPAD. South Africa won the bid to host the Pan-African Parliament and hosted the inaugural meeting in September 2004. In addition, South Africa was elected a member of the AU's Peace and Security Council for three years and was also made chair of the council in July 2004.

Through active interventions in the DRC, Burundi, Ethiopia/Eritrea, Cote d'Ivoire and Sudan, South Africa has supported peace and security efforts in Africa. South Africa was appointed by the AU to spearhead the resolution of the political crisis in Cote d'Ivoire. The AU also appointed South Africa to chair the committee on the post-conflict reconstruction of the Sudan.

Strengthening the relationship between Africa and Asia through the Asia-Africa Sub-Regional Organisations Conference, continuing efforts to revitalise the Non-Aligned Movement, and creating closer co-operation with China, are all examples of south-south co-operative efforts. The G20+ (an informal forum which promotes dialogue between industrial countries and emerging market countries on the international trade and financial system) and the India-Brazil-South Africa Dialogue Forum are examples of the potential strength of south-south co-operation in multilateral diplomacy.

For north-south dialogue, the department targets developed country partners from the EU, the G8 and others, such as the UK and Japan, for joint agreements and for providing support for NEPAD and other development initiatives. Similarly, the department supports the interests of the least



developed countries, the highly indebted poor countries, and the small island developing states at multilateral negotiations and through agreements with the United States through the African Growth and Opportunity Act (AGOA) and the EU.

During 2004/05, new missions were opened in Equatorial Guinea and Eritrea, and in the Philippines.

### Selected medium-term output targets

#### Foreign Relations

**Measurable objective:** Promote South Africa's foreign policy internationally and in multilateral institutions, through diplomatic interventions to strengthen foreign relations.

Subprogramme	Output	Measure/Indicator	Target
Bilateral and Multilateral Relations Management	A restructured SADC and its structures	Finalise the implementation of restructuring process	March 2007
	African peer review mechanism	Facilitate preparation for South Africa to be peer reviewed	March 2006
	Economic development	Successful negotiation of trade agreements with the EU, the South African Customs Union, and other economic development organisations involving South Africa and Africa	December 2007
Diplomatic Representation	Increased foreign representation	Number of new missions opened in Africa, Asia and Middle East	3 in Africa and 1 in Asia or the Middle East by March 2006

### 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.

It consists of two subprogrammes:

- *Public Diplomacy* does media liaison, engages with national stakeholders, and promotes South Africa's policies and programmes in South Africa and internationally.
- *Protocol* deals with protocol administration, protocol ceremonial services, state visits, diplomatic liaison, and intergovernmental or provincial protocol services. It also organises international conferences and manages guesthouses, and provides for activities related to the presidential inauguration.

### Expenditure estimates

Table 3.5: Public Diplomacy and Protocol

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Public Diplomacy	3 457	15 031	17 615	21 636	29 113	30 536	26 393
Protocol	52 417	46 918	61 030	123 166	61 005	63 825	57 317
<b>Total</b>	<b>55 874</b>	<b>61 949</b>	<b>78 645</b>	<b>144 802</b>	<b>90 118</b>	<b>94 361</b>	<b>83 710</b>
Change to 2004 Budget estimate				9 680	19 400	19 400	5 001

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Economic classification</b>							
<b>Current payments</b>	<b>55 483</b>	<b>60 579</b>	<b>78 081</b>	<b>138 720</b>	<b>88 639</b>	<b>92 793</b>	<b>82 064</b>
Compensation of employees	20 260	27 956	29 923	34 586	52 892	55 823	58 869
Goods and services	34 304	32 623	48 158	104 134	35 747	36 970	23 195
of which:							
Travel and subsistence	9 867	6 858	3 642	3 642	4 918	5 213	5 474
Public transport	14 800	4 226	4 087	4 087	3 994	4 233	4 445
Diplomatic Privilege Act	3 510	7 389	8 112	8 212	8 300	8 798	9 238
Financial transactions in assets and liabilities	919	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>48</b>	<b>62</b>	<b>87</b>	<b>112</b>	<b>113</b>	<b>120</b>	<b>126</b>
Provinces and municipalities	48	62	87	112	113	120	126
<b>Payments for capital assets</b>	<b>343</b>	<b>1 308</b>	<b>477</b>	<b>5 970</b>	<b>1 366</b>	<b>1 448</b>	<b>1 520</b>
Machinery and equipment	343	1 308	477	2 970	1 366	1 448	1 520
Software and other intangible assets	–	–	–	3 000	–	–	–
<b>Total</b>	<b>55 874</b>	<b>61 949</b>	<b>78 645</b>	<b>144 802</b>	<b>90 118</b>	<b>94 361</b>	<b>83 710</b>

## Expenditure trends

Expenditure on the programme almost doubled in 2004/05 due to the presidential inauguration and the Ten Years of Freedom celebrations. Notwithstanding these one-off expenses, the programme has seen steady growth over the last three years due to increased activity related to state visits, hosting international conferences and South Africa's role in the international arena. In addition, the department took over management of the state protocol lounge in Cape Town and the extended part of Johannesburg International Airport's VIP lounge from the Airports Company South Africa.

Within the total additional allocations in the 2005 Budget, R4 million, R4 million and R5 million were allocated for each of the next three years for protocol services.

## Service delivery objectives and indicators

### Recent outputs

The department's communication arm continued to promote the department and the ministry's activities and the priority issues set by the international relations, peace and security cluster. This included media liaison, internal and external communications, marketing, logistical support, website development, and information management. The department took part in national promotional and marketing events, while continuing to support the International Marketing Council in promoting South Africa abroad. The following are some of the significant promotional events: the Ten Years of Freedom and Freedom Day celebrations; the Africa Day celebrations; the solidarity conference in London; and international exhibitions, conferences, sporting events, film festivals and exchange programmes.

Principally, the state protocol branch provides direct protocol support to the president and deputy president, especially for their international obligations. The department managed the logistics for international presidential outgoing and incoming visits, as well as for the international visits of

former presidents. The department provided protocol services for a number of international conferences and summits that South Africa hosted, and for the presidential inauguration.

During 2004/05, the department started developing an interactive diplomatic website which will enable the department and South African missions abroad to communicate on-line

### Selected medium-term output targets

#### Public Diplomacy and Protocol

Measurable objective: Project a positive image of South Africa by marketing the department's programmes and providing protocol services.			
Subprogramme	Output	Measure/Indicator	Target
Public Diplomacy	Build and project a positive image of South Africa. Promote tourism	Participation in world expos  Number of exhibitions and campaigns, and tours by foreign media and decision-makers	Participate in the Aichi world expo from March to September 2005 6 exhibitions 3 campaigns 3 tours
Protocol	Better information to improve communication with the diplomatic community accredited to South Africa	Implementation of interactive diplomatic website	End December 2005

### Programme 4: International Transfers

*International Transfers* provides for the payment of fees and contributions to various international organisations, including the AU, the African Renaissance Fund, NEPAD, SADC, and the UN and its associated organisations.

### Expenditure estimates

Table 3.6: International Transfers

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
International Organisations	119 143	310 813	315 555	298 985	348 530	368 530	412 707
<b>Total</b>	<b>119 143</b>	<b>310 813</b>	<b>315 555</b>	<b>298 985</b>	<b>348 530</b>	<b>368 530</b>	<b>412 707</b>
Change to 2004 Budget estimate				66 225	65 000	85 000	115 001
<b>Economic classification</b>							
<b>Transfers and subsidies to:</b>	<b>119 143</b>	<b>310 813</b>	<b>315 555</b>	<b>298 985</b>	<b>348 530</b>	<b>368 530</b>	<b>412 707</b>
Foreign governments and international organisations	119 143	310 813	315 555	298 985	348 530	368 530	412 707
<b>Total</b>	<b>119 143</b>	<b>310 813</b>	<b>315 555</b>	<b>298 985</b>	<b>348 530</b>	<b>368 530</b>	<b>412 707</b>

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Details of transfers and subsidies:</b>							
<b>Foreign governments and international organisations</b>							
<b>Current</b>	<b>119 143</b>	<b>310 813</b>	<b>315 555</b>	<b>298 985</b>	<b>348 530</b>	<b>368 530</b>	<b>412 707</b>
Commonwealth Fund for Technical Co-operation	–	9 300	–	–	–	–	–
World Food Programme	–	170 000	100 000	–	–	–	–
United Nations Development Programme	8 536	5 620	950	950	950	950	998
Southern African Development Community: Membership Fees	2 620	2 663	17 847	13 200	12 665	12 665	13 298
Other International Organisations	3 887	3 973	3 807	6 000	7 000	7 000	7 350
Manpower secondment							
African Union	14 500	15 059	14 500	30 000	80 000	100 000	121 000
Nepad	–	19 200	25 000	70 500	30 000	30 000	31 250
Commonwealth: Membership Fees	7 000	7 344	7 000	7 000	7 000	7 000	7 350
United Nation: Membership Fees	76 000	70 796	76 000	76 000	80 000	80 000	84 000
Maritime Law Institute: University Cape Town	–	–	120	120	120	120	126
Indian Ocean Rim Research Centre	–	–	49	120	120	120	126
Humanitarian Aid	6 600	6 858	10 000	28 525	13 000	13 000	13 650
Bacterial and Toxic Weapons Convention	–	–	414	414	414	414	435
African Caribbean and Pacific: Membership Fee	–	–	2 087	2 161	2 200	2 200	2 310
Bureau of International Exposition: Membership Fees	–	–	25	25	25	25	26
Comprehensive Test Ban Treaty	–	–	2 306	3 920	4 986	4 986	5 235
South Centre	–	–	1 000	1 000	1 000	1 000	1 050
Perrez-Guerrero Trust Fund	–	–	50	50	50	50	53
United Nations Development Programme: Local Office Costs	–	–	4 400	9 000	9 000	9 000	9 450
African Renaissance Fund	–	–	50 000	50 000	100 000	100 000	115 000
<b>Total foreign governments and international organisations</b>	<b>119 143</b>	<b>310 813</b>	<b>315 555</b>	<b>298 985</b>	<b>348 530</b>	<b>368 530</b>	<b>412 707</b>

## Expenditure trends

The main cost-driver in *International Transfers* is membership fees for the various organisations the programme provides for. However, the very large increase in 2002/03 and the continued high level of expenditure in 2003/04 were mainly due to transfers to the World Food Programme, following the drought in the region.

The recent AU summit in Maputo agreed that South Africa would increase its contribution to the AU budget from 7,25 per cent to 8,25 per cent, and transfers to the AU are expected to increase from R30 million in 2004/05 to R121 million in 2007/08.

Notable transfers include those to the African Renaissance Fund, whose allocation increases from R50 million in 2004/05 to an expected R115 million in 2007/08.

Within the additional allocations in the 2005 Budget, R65 million, R85 million and R115 million were allocated to fund increases in the transfers to the AU, NEPAD and the African Renaissance Fund over the next three years.

## **Annexure**

### **Vote 3: Foreign Affairs**

Table 3.A: Summary of expenditure trends and estimates per programme and economic classification

Table 3.B: Summary of personnel numbers and compensation of employees per programme

Table 3.C: Summary of expenditure on training per programme

Table 3.D: Summary of information and communications technology expenditure per programme

Table 3.E: Summary of official development assistance expenditure

Table 3.F: Summary of expenditure on infrastructure

**Table 3.A: Summary of expenditure trends and estimates per programme and economic classification**

Programme	Appropriation		Preliminary outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2003/04			2004/05			
1. Administration	313 146	369 676	342 502	366 912	41 712	408 624	393 624
2. Foreign Relations	1 665 995	1 589 373	1 391 978	1 751 020	(56 782)	1 694 238	1 643 101
3. Public Diplomacy and Protocol	62 741	62 857	78 645	135 122	9 680	144 802	144 802
4. International Transfers	201 673	306 673	315 555	232 760	66 225	298 985	298 985
<b>Total</b>	<b>2 243 555</b>	<b>2 328 579</b>	<b>2 128 680</b>	<b>2 485 814</b>	<b>60 835</b>	<b>2 546 649</b>	<b>2 480 512</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>1 894 635</b>	<b>1 813 504</b>	<b>1 646 221</b>	<b>2 091 198</b>	<b>(44 505)</b>	<b>2 046 693</b>	<b>1 995 556</b>
Compensation of employees	1 223 852	1 227 721	953 354	1 306 670	(70 751)	1 235 919	1 220 782
Goods and services	670 783	585 783	692 867	784 528	26 246	810 774	774 774
<b>Transfers and subsidies</b>	<b>202 048</b>	<b>307 048</b>	<b>315 930</b>	<b>233 179</b>	<b>66 230</b>	<b>299 409</b>	<b>299 409</b>
Municipalities	375	375	375	419	5	424	424
Foreign governments and international organisations	201 673	306 673	315 555	232 760	66 225	298 985	298 985
<b>Payments for capital assets</b>	<b>146 872</b>	<b>208 027</b>	<b>166 529</b>	<b>161 437</b>	<b>39 110</b>	<b>200 547</b>	<b>185 547</b>
Buildings and other fixed structures	48 226	101 381	67 440	54 209	23 772	77 981	77 981
<i>Buildings</i>	27 060	27 060	27 060	54 049	10 000	64 049	64 049
<i>Other fixed structures</i>	21 166	74 321	40 380	160	13 772	13 932	13 932
Machinery and equipment	98 646	106 646	99 089	104 228	15 338	119 566	104 566
<i>Transport equipment</i>	16 879	16 879	12 451	18 804	338	19 142	19 142
<i>Other machinery and equipment</i>	81 767	89 767	86 638	85 424	15 000	100 424	85 424
Software and intangible assets	–	–	–	3 000	–	3 000	3 000
<b>Total</b>	<b>2 243 555</b>	<b>2 328 579</b>	<b>2 128 680</b>	<b>2 485 814</b>	<b>60 835</b>	<b>2 546 649</b>	<b>2 480 512</b>

**Table 3.B: Summary of personnel numbers and compensation of employees per programme<sup>1</sup>**

Programme	2001/02	2002/03	2003/04	2004/05	2005/06
1. Administration	840	848	848	899	934
2. Foreign Relations	2 541	2 559	2 559	2 713	2 962
3. Public Diplomacy and Protocol	241	248	248	263	266
<b>Total</b>	<b>3 622</b>	<b>3 655</b>	<b>3 655</b>	<b>3 875</b>	<b>4 162</b>
Total personnel cost (R thousand)	1 050 174	1 077 750	953 354	1 235 919	1 399 758
Unit cost (R thousand)	290	295	261	319	336

<sup>1</sup> Budgeted full-time equivalent**Table 3.C: Summary of expenditure on training per programme**

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
R thousand	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
1. Administration	7 400	11 770	14 086	15 391	1 610	1 693	1 778
2. Foreign Relations	2 310	2 450	7 900	11 597	12 177	12 786	13 425
3. Public Diplomacy and Protocol	—	700	780	396	396	418	439
<b>Total</b>	<b>9 710</b>	<b>14 920</b>	<b>22 766</b>	<b>27 384</b>	<b>14 183</b>	<b>14 897</b>	<b>15 642</b>

**Table 3.D: Summary of information and communications technology expenditure per programme**

	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome				
	2001/02	2002/03	2003/04		2005/06	2006/07	2007/08
R thousand							
<b>1. Administration</b>	<b>12 709</b>	<b>32 174</b>	<b>24 278</b>	<b>39 797</b>	<b>55 650</b>	<b>51 889</b>	<b>54 483</b>
Technology	11 829	31 163	17 028	31 796	46 685	42 386	44 505
IT services	880	1 011	7 250	8 001	8 965	9 503	9 978
<b>2. Foreign Relations</b>	<b>10 146</b>	<b>7 697</b>	<b>33 464</b>	<b>28 349</b>	<b>32 155</b>	<b>34 085</b>	<b>35 789</b>
Technology	10 146	7 697	25 597	18 697	19 696	20 878	21 922
IT services	–	–	7 867	9 652	12 459	13 207	13 867
<b>3. Public Diplomacy and Protocol</b>	<b>–</b>	<b>300</b>	<b>1 258</b>	<b>6 658</b>	<b>826</b>	<b>876</b>	<b>920</b>
Technology	–	300	1 258	6 658	826	876	920
<b>Total</b>	<b>22 855</b>	<b>40 171</b>	<b>59 000</b>	<b>74 804</b>	<b>88 631</b>	<b>86 850</b>	<b>91 192</b>

**Table 3.E: Summary of official development assistance expenditure**

Donor	Project	Cash/ kind	Outcome				Medium-term expenditure estimate		
R thousand			2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
<b>Foreign</b>									
United Kingdom		Cash	–	111	–	–	–	–	–
<b>Total</b>			–	111	–	–	–	–	–

**Table 3.F: Summary of expenditure on infrastructure**

Projects	Description	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
		Audited	Audited	Preliminary outcome				
		2001/02	2002/03	2003/04		2005/06	2006/07	2007/08
R thousand								
<b>Infrastructure programmes or large infrastructure projects</b>								
Acquisition of property for missions		–	87,700	53,155	–	55,000	58,000	14,000
<b>Small project groups</b>								
Upgrading of properties		48,380	–	–	55,184	47,232	43,606	–
<b>Maintenance on infrastructure</b>								
Day to day maintenance on infrastructure		10,000	10,000	10,000	–	–	–	–
<b>Total</b>		<b>58,380</b>	<b>97,700</b>	<b>63,155</b>	<b>55,184</b>	<b>102,232</b>	<b>101,606</b>	<b>14,000</b>

