

# Vote 3

## Foreign Affairs

R thousand	2006/07 To be appropriated	2007/08	2008/09
<b>MTEF allocations</b>	<b>3 042 149</b>	<b>3 409 363</b>	<b>3 645 538</b>
<i>of which:</i>			
Current payments	2 158 818	2 365 020	2 486 872
Transfers and subsidies	485 579	564 603	654 470
Payments for capital assets	397 752	479 740	504 196
<b>Statutory amounts</b>	<b>-</b>	<b>-</b>	<b>-</b>
Executive authority	Minister of Foreign Affairs		
Accounting officer	Director-General of Foreign Affairs		

### Aim

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

### Programme purposes

#### Programme 1: Administration

Conduct the overall policy development and management of the department.

#### Programme 2: Foreign Relations

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

#### Programme 3: Public Diplomacy and Protocol

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

#### Programme 4: International Transfers

Fund membership fees and transfers to international organisations.

### Strategic overview and key policy developments: 2002/03 – 2008/09

The Department of Foreign Affairs will continue to implement its strategic priorities as informed by the foreign policy objectives of the South African government and outlined in the programme of the international relations, peace and security cluster, namely: consolidating the African agenda; global governance; South-South co-operation; and strengthening bilateral relations.

#### *Consolidating the African agenda*

The department's engagement in Africa will continue to be anchored on: strengthening the African Union (AU) and its structures; promoting integration and development through the Southern African Development community (SADC); promoting the implementation of the New Partnership

for Africa's Development (Nepad); supporting peace, security, stability and post conflict reconstruction initiatives; and strengthening bilateral relations.

#### *Strengthening the African Union and its structures*

The AU Commission is in the process of being set up, and posts are being filled steadily. South Africa's secondment policy should be finalised in early 2006 to enable candidates that are currently in government structures to apply for positions.

The revised scale of assessment, based on the AU's mission and strategy, has been finalised and adopted. The scale is informed by a member state's capacity to contribute to the AU budget. South Africa will pay 15 per cent of the total AU budget from January 2006.

South Africa is the host of the AU's Pan-African Parliament.

South Africa will continue to actively support the AU Peace and Security Council. Work on its sub-structures has progressed well, but needs to be concluded by establishing: the African standby force (by 2010); the Panel of the Wise, made up of some highly experienced mediators; an early warning system with national and regional components; and a fund to support the council's actions.

Activities around the African diaspora will increase during 2006. The South African/Caribbean diaspora conference was held in Jamaica in March 2005 and an African diaspora summit will be held in South Africa in 2007.

#### *Implementation of Nepad*

Over the last three years, South Africa has been a key driver of the Nepad process. At national level, South Africa will continue to implement the Nepad priority sectors.

The review of South Africa by the African Peer Review Mechanism has begun, and should be completed by the end of 2006. A national programme of action would then need to be developed and accepted by the broad spectrum of South African stakeholders.

On the international front, South Africa will continue to interact with key continental and international partners and stakeholders to access support for Nepad.

#### *Strengthening SADC*

Support for harmonising and rationalising the regional economic communities, as well as for the regional integration process is a priority. For South Africa, this applies specifically to the southern and eastern geographic regions, SADC and the Common Market for Eastern And Southern Africa (Comesa).

National departments are expected to begin implementing the regional indicative strategic development plan.

Another priority is the recruitment process in the SADC secretariat and ensuring that suitable South African candidates are appointed within the framework of the quota system.

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

The focus is increasingly on active engagement with and tangible support for Africa's regional peace initiatives and processes. The revised White Paper on South African Participation in International Peace Missions (1999) and the draft AU post-conflict and reconstruction policy framework are major instruments for facilitating South Africa's engagement in the continental peace and development agenda. Furthermore, as part of the AU and SADC collective, South Africa is involved in creating the African standby force, the regional SADC brigade and the SADC national early warning centre.

*Global governance*

Reforming the UN will continue to dominate the multilateral agenda in 2006. The South African delegation played an important role in the 2005 UN world summit, including in the Africa Group, the Group of 77 (G77) and China, and the Non-Aligned Movement, and currently co-chairs negotiations on the Human Rights Council. Among other multilateral platforms, South Africa will continue to pursue the interests of Africa and the South through its leadership of the G77 and China.

South Africa will continue with its active engagement as a board member of the International Atomic Energy Agency, where disarmament and non-proliferation of weapons are dealt with.

South Africa has ratified 11 of the 12 UN conventions on terrorism. The convention on the physical protection of nuclear materials is in the process of being ratified.

South Africa will continue to support and encourage initiatives aimed at bringing a lasting solution to the Israel/Palestine situation.

South Africa will also continue to support multilateral initiatives that are aimed at bringing peace and stability to Iraq.

A key challenge is to promote development issues in international debates. South Africa will continue to be engaged in: reforming the international financial institutions; multilateral trade talks, in particular the Doha round; and following up the implementation of the outcomes of international conferences in the social, environmental and economic fields, including the World Summit on Sustainable Development and World Summit on the Information Society.

*South-South co-operation*

The India, Brazil, South Africa (IBSA) dialogue forum remains of strategic importance to South Africa. The forthcoming IBSA head of state and government summit is scheduled for the second half of 2006.

South Africa's and Africa's interaction with Asia has been given added impetus by the successful Asia-African summit held in Jakarta in April 2005, where the New Asian-African Strategic Partnership was launched. The partnership will focus on pragmatic ways of addressing the development of Asian and African countries. A secretariat will be created in the Department of Foreign Affairs. South Africa will continue to work towards synchronising the activities of several existing Africa-Asia co-operation forums.

As chair of the G77 for 2006, South Africa will carry a substantial additional responsibility. The 132 members of the organisation must be co-ordinated to co-operate in promoting the South's development agenda, and South Africa must make sure that the outcomes of the 2005 high-level summit are implemented in a balanced way.

The strengthening of South Africa's bilateral relations, particularly with countries in Africa, is a high-level strategic objective. Cabinet has thus decided that South Africa should have resident representation in each African country by 2008, and at least three resident representations will be opened during 2006/07.

## Expenditure estimates

**Table 3.1 Foreign Affairs**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06		2006/07	2007/08	2008/09
R thousand								
1. Administration	354 198	377 591	465 775	531 574	446 574	673 723	838 873	836 853
2. Foreign Relations	1 643 854	1 391 978	1 510 540	1 736 546	1 726 546	1 783 845	1 901 697	2 044 630
3. Public Diplomacy and Protocol	61 949	78 645	140 846	112 480	112 480	111 051	116 086	122 141
4. International Transfers	310 813	315 555	275 924	356 530	326 530	473 530	552 707	641 914
<b>Total</b>	<b>2 370 814</b>	<b>2 163 769</b>	<b>2 393 085</b>	<b>2 737 130</b>	<b>2 612 130</b>	<b>3 042 149</b>	<b>3 409 363</b>	<b>3 645 538</b>
Change to 2005 Budget estimate				142 059	17 059	125 565	240 912	302 822

**Economic classification**

Current payments	1 864 489	1 673 867	1 892 203	2 132 840	2 082 840	2 158 818	2 365 020	2 486 872
Compensation of employees	1 077 750	953 354	1 058 368	1 399 758	1 349 758	1 392 501	1 478 983	1 569 592
Goods and services	785 339	720 513	833 835	733 082	733 082	766 317	886 037	917 279
<i>of which:</i>								
Communication	47 067	48 948	54 120	57 534	57 534	60 385	64 480	68 730
Computer Services	12 605	13 955	15 302	16 154	16 154	17 240	19 405	20 686
Consultants, contractors and special services	4 254	9 387	21 111	6 000	6 000	5 000	4 000	–
Inventory	6 244	6 165	6 565	7 142	7 142	8 060	9 800	11 162
Maintenance repair and running cost	13 500	15 760	16 822	17 500	17 500	17 890	19 540	20 700
Operating leases	214 979	214 803	227 319	249 239	249 239	244 028	331 822	312 637
Travel and subsistence	114 072	135 660	147 380	152 992	152 992	150 640	146 039	155 380
Public transport	125 598	128 678	130 659	136 025	136 025	175 427	187 970	196 247
Other	247 020	147 157	214 557	90 496	90 496	87 647	102 981	131 737
Financial transactions in assets and liabilities	1 400	–	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>317 527</b>	<b>323 373</b>	<b>290 108</b>	<b>373 013</b>	<b>343 013</b>	<b>485 579</b>	<b>564 603</b>	<b>654 470</b>
Provinces and municipalities	6 714	7 818	14 184	16 483	16 483	12 049	11 896	12 556
Foreign governments and international organisations	310 813	315 555	275 924	356 530	326 530	473 530	552 707	641 914
<b>Payments for capital assets</b>	<b>188 798</b>	<b>166 529</b>	<b>210 774</b>	<b>231 277</b>	<b>186 277</b>	<b>397 752</b>	<b>479 740</b>	<b>504 196</b>
Buildings and other fixed structures	84 319	67 440	94 972	132 866	97 866	261 000	334 000	350 440
Machinery and equipment	90 793	99 089	112 802	98 411	88 411	136 752	145 740	153 756
Software and other intangible assets	–	–	3 000	–	–	–	–	–
Land and subsoil assets	13 686	–	–	–	–	–	–	–
<b>Total</b>	<b>2 370 814</b>	<b>2 163 769</b>	<b>2 393 085</b>	<b>2 737 130</b>	<b>2 612 130</b>	<b>3 042 149</b>	<b>3 409 363</b>	<b>3 645 538</b>

## Expenditure trends

Expenditure is expected to increase more rapidly over the medium-term expenditure framework (MTEF) than over the 2002/03 to 2005/06 period, the average annual growth rate rising from 4,9 per cent to 10 per cent. About two-thirds of the department's expenditure is in foreign currencies, so overall expenditure is heavily influenced by the exchange rate.

The *Foreign Relations* programme takes, on average, 58,5 per cent of the department's budget, and is predicted to increase over the 2006 MTEF at a growth rate of 5,6 per cent, from R1,7 billion in 2005/06 to R2 billion in 2008/09. The department has increased its representation from 99 countries in 2002/03 to 111 countries in 2005/06. The number of missions will continue to increase over the MTEF term by at least three missions per financial year.

In the 2006 Budget, the department received additional allocations of R78 million, R189 million and R247 million over the three years of the MTEF. This provides for a head office building, contributions to both the AU and the African Renaissance Fund, and capital works on state-owned properties at the foreign missions.

## Departmental receipts

Receipts come from interest on mission bank accounts, rent on state-owned property, VAT refunds from missions from previous financial years, foreign exchange gains and the sale of capital items. From 2006/07 to 2008/09, receipts are expected to increase by 10,8 per cent.

**Table 3.2 Departmental receipts**

R thousand	Audited outcome			Adjusted Appropriation	Medium-term receipts estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
<b>Departmental receipts</b>	<b>66 705</b>	<b>49 737</b>	<b>37 376</b>	<b>19 569</b>	<b>20 744</b>	<b>21 781</b>	<b>22 979</b>
Sales of goods and services produced by department	26 715	7 297	–	15 019	15 921	16 717	17 636
Transfers received	25	183	416	–	–	–	–
Interest, dividends and rent on land	1 442	1 376	3 066	4 550	4 823	5 064	5 343
Sales of capital assets	30 760	701	843	–	–	–	–
Financial transactions in assets and liabilities	7 763	40 180	33 051	–	–	–	–
<b>Total</b>	<b>66 705</b>	<b>49 737</b>	<b>37 376</b>	<b>19 569</b>	<b>20 744</b>	<b>21 781</b>	<b>22 979</b>

## Programme 1: Administration

The *Administration* programme conducts the overall management of the department and provides centralised support services. The programme also provides consular and agency services in Pretoria and abroad, purchases vehicles for the department, and provides housing and office accommodation, including maintenance, to all staff members abroad.

## Expenditure estimates

**Table 3.3 Administration**

Subprogramme	Audited outcome			Adjusted Appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Minister <sup>1</sup>	10 860	809	791	837	887	934	981
Deputy Ministers <sup>2</sup>	4 235	958	1 296	1 329	1 409	1 484	1 558
Management	4 517	24 961	11 849	19 004	50 330	53 341	56 287
Corporate Services	215 469	237 600	352 291	308 014	319 632	334 256	277 009
Government Motor Transport	–	572	2 685	900	900	945	997
Statutory	4	–	–	–	–	–	–
Foreign and Domestic Properties Management	119 113	112 691	96 863	201 490	300 565	447 913	500 021
<b>Total</b>	<b>354 198</b>	<b>377 591</b>	<b>465 775</b>	<b>531 574</b>	<b>673 723</b>	<b>838 873</b>	<b>836 853</b>
Change to 2005 Budget estimate				75 025	165 565	301 107	269 510

<sup>1</sup> Payable as from 1 April 2005. Salary: R 669 462. Car allowance: R 167 365.

<sup>2</sup> Payable as from 1 April 2005. Salary: R 544 123. Car allowance: R 136 030.

<sup>3</sup> Payable as from 1 April 2005. Salary: R 519 399. Car allowance: R 129 849.

**Table 3.3 Administration (continued)**

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
<b>Economic classification</b>							
<b>Current payments</b>	<b>259 243</b>	<b>296 317</b>	<b>338 036</b>	<b>357 142</b>	<b>362 930</b>	<b>450 525</b>	<b>429 076</b>
Compensation of employees	102 294	108 714	152 606	166 110	175 359	184 127	194 254
Goods and services	155 549	187 603	185 430	191 032	187 571	266 398	234 822
of which:							
Communication	13 234	15 932	17 850	18 954	20 695	22 980	25 700
Computer Services	7 945	8 015	8 375	8 965	9 450	10 965	11 570
Inventory	3 788	3 472	3 670	3 972	4 560	5 500	6 582
Operating leases	31 413	35 089	40 160	43 364	47 565	121 913	76 921
Travel and subsistence	15 167	37 215	40 530	44 892	48 780	49 600	52 328
Public Transport	19 412	20 569	20 685	22 754	25 029	27 532	29 183
Financial transactions in assets and liabilities	1 400	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>52</b>	<b>67</b>	<b>77</b>	<b>432</b>	<b>81</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	52	67	77	432	81	–	–
<b>Payments for capital assets</b>	<b>94 903</b>	<b>81 207</b>	<b>127 662</b>	<b>174 000</b>	<b>310 712</b>	<b>388 348</b>	<b>407 777</b>
Buildings and other fixed structures	76 833	67 440	94 972	132 232	261 000	334 000	350 440
Machinery and equipment	18 070	13 767	32 690	41 768	49 712	54 348	57 337
<b>Total</b>	<b>354 198</b>	<b>377 591</b>	<b>465 775</b>	<b>531 574</b>	<b>673 723</b>	<b>838 873</b>	<b>836 853</b>

### Expenditure trends

Work on the master systems plan continues, and revamping the network infrastructure will be complete by the end of 2006/07. The sharp increase in the *Management* subprogramme in 2006/07 is due to greater spending on the offices of the minister and deputy-minister. With the devolution of funds from the Department of Public Works, increased spending on acquiring properties abroad, and the provision for the new head office, the programme will grow at an average annual rate of 16,3 per cent over the MTEF.

From 1 April 2006, costs for leases and accommodation charges will be devolved from the Department of Public Works to individual departments. The Department of Foreign Affairs received the following amounts: R47,6 million in 2006/07, R51,9 million in 2007/08 and R55,8 million in 2008/09. Expenditure has been adjusted for 2002/03 to 2005/06.

### Programme 2: Foreign Relations

The *Foreign Relations* 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 these objectives are applicable to all regions, the emphasis may differ depending on current circumstances or anticipated developments in a particular region. The subprogrammes reflect the regions.

## Expenditure estimates

**Table 3.4 Foreign Relations**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Bilateral Relations Management							
Africa	133 964	109 857	98 407	195 440	152 851	162 022	166 711
Asia and Australasia	8 644	8 951	40 273	25 692	27 234	28 868	31 182
Americas and Europe	36 250	37 899	31 163	37 671	39 931	42 327	44 655
Multilateral	33 413	30 274	31 904	61 838	49 017	51 958	54 816
Diplomatic Representation							
Africa	422 446	373 188	347 626	392 711	475 670	509 782	574 978
Asia and Australasia	212 118	175 771	283 122	331 165	349 695	364 452	387 642
Americas and Europe	685 225	567 739	604 743	623 413	606 635	655 492	692 332
Multilateral	111 794	88 299	73 302	68 616	82 813	86 796	92 315
<b>Total</b>	<b>1 643 854</b>	<b>1 391 978</b>	<b>1 510 540</b>	<b>1 736 546</b>	<b>1 783 845</b>	<b>1 901 697</b>	<b>2 044 630</b>
Change to 2005 Budget estimate				36 672	(161 690)	(232 571)	(207 023)
<b>Economic classification</b>							
<b>Current payments</b>	<b>1 550 983</b>	<b>1 306 912</b>	<b>1 429 403</b>	<b>1 677 054</b>	<b>1 698 033</b>	<b>1 811 825</b>	<b>1 949 814</b>
Compensation of employees	947 500	814 717	871 176	1 180 756	1 161 319	1 234 487	1 311 649
Goods and services	603 483	492 195	558 227	496 298	536 714	577 338	638 165
<i>of which:</i>							
<i>Communication</i>	<i>30 908</i>	<i>31 583</i>	<i>34 600</i>	<i>36 800</i>	<i>37 800</i>	<i>39 500</i>	<i>40 600</i>
<i>Computer Services</i>	<i>3 560</i>	<i>4 600</i>	<i>5 470</i>	<i>5 589</i>	<i>5 890</i>	<i>6 450</i>	<i>6 960</i>
<i>Maintenance repair and running cost</i>	<i>13 500</i>	<i>15 760</i>	<i>16 822</i>	<i>17 500</i>	<i>17 890</i>	<i>19 540</i>	<i>20 700</i>
<i>Operating leases</i>	<i>183 566</i>	<i>179 714</i>	<i>187 159</i>	<i>205 875</i>	<i>196 463</i>	<i>209 909</i>	<i>235 716</i>
<i>Travel and subsistence</i>	<i>87 821</i>	<i>90 716</i>	<i>98 760</i>	<i>99 200</i>	<i>92 310</i>	<i>85 989</i>	<i>92 027</i>
<i>Public Transport</i>	<i>97 444</i>	<i>98 493</i>	<i>99 396</i>	<i>101 635</i>	<i>137 599</i>	<i>146 359</i>	<i>152 140</i>
<b>Transfers and subsidies</b>	<b>284</b>	<b>221</b>	<b>3 995</b>	<b>4 215</b>	<b>220</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	284	221	3 995	4 215	220	-	-
<b>Payments for capital assets</b>	<b>92 587</b>	<b>84 845</b>	<b>77 142</b>	<b>55 277</b>	<b>85 592</b>	<b>89 872</b>	<b>94 815</b>
Buildings and other fixed structures	7 486	-	-	-	-	-	-
Machinery and equipment	71 415	84 845	77 142	55 277	85 592	89 872	94 815
Land and subsoil assets	13 686	-	-	-	-	-	-
<b>Total</b>	<b>1 643 854</b>	<b>1 391 978</b>	<b>1 510 540</b>	<b>1 736 546</b>	<b>1 783 845</b>	<b>1 901 697</b>	<b>2 044 630</b>

## Expenditure trends

Expenditure rises steadily over the seven-year-period, from R1,6 billion in 2002/03 to R2 billion in 2008/09, an average annual rate of 3,7 per cent. Between 2005/06 and 2008/09, the growth rate of 5,6 per cent is considerably higher than the 1,8 per cent during the 2002/03 to 2005/06 period. The rapid increase over the MTEF is mainly due to the expansion of foreign representation, particularly in Africa and Asia.

## Service delivery objectives and indicators

### Recent outputs

During 2004, much has been achieved in promoting the African agenda, including efforts to improve the functioning of regional economic communities, and the AU and Nepad. South Africa was elected a member of the AU's Peace and Security Council for three years and chaired the

council in July 2004. The department focused on further integrating SADC, establishing the Pan African Parliament, reviewing Nepad and stimulating implementation projects.

Through active interventions, South Africa supported peace and security efforts in Africa. South Africa was appointed by the AU to spearhead the resolution of the political crisis in Côte d'Ivoire and to chair the committee on the reconstruction of the Sudan.

During 2005/06, new missions were opened in Brazzaville (Congo), N'djamena (Chad) and Conakry (Guinea). In Asia, missions were opened in Colombo (Sri Lanka) and Suva (Fiji). South Africa appointed its first ambassadors to Kazakhstan and the Philippines, and upgraded the mission in Beijing with the appointment of a minister plenipotentiary in a newly created post.

In September 2005, South Africa signed the Convention for the Suppression of Acts of Nuclear Terrorism, which is now recognised as the 13th UN counter-terrorism convention. Arrangements for ratifying this convention are being made.

### Selected medium-term output targets

#### Foreign Relations

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

Subprogramme	Output	Measure/Indicator	Target
Bilateral and Multilateral Relations Management	Strengthening of AU and its structures	Remaining structures of the AU set up	March 2007
	Functional SADC and structures	Alternative sources of funding identified Finalise the implementation of restructuring process of the SADC and its structures Number of UN conventions ratified	August 2006 March 2007 3 conventions
Diplomatic Representation	Increased foreign representation	Number of new missions opened in Africa, Asia and Middle East	3 in Africa 2 in Asia/the Middle East 1 in the Caribbean 1 in Eastern Europe

### Programme 3: Public Diplomacy and Protocol

The *Public Diplomacy and Protocol* programme markets South Africa's foreign policy objectives, projects a positive image of South Africa and Africa, and provides state protocol services.

There are two subprogrammes:

- *Public Diplomacy* deals with media liaison, engagement with national stakeholders, and promoting South Africa's policies and programmes at home and abroad.
- *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	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
Public Diplomacy	15 031	17 615	36 180	25 000	26 500	28 090	29 635
Protocol	46 918	61 030	104 666	87 480	84 551	87 996	92 506
<b>Total</b>	<b>61 949</b>	<b>78 645</b>	<b>140 846</b>	<b>112 480</b>	<b>111 051</b>	<b>116 086</b>	<b>122 141</b>
Change to 2005 Budget estimate				22 362	16 690	32 376	33 827



Table 3.5 Public Diplomacy and Protocol (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
<b>Economic classification</b>							
<b>Current payments</b>	<b>54 263</b>	<b>70 638</b>	<b>124 764</b>	<b>98 644</b>	<b>97 855</b>	<b>102 670</b>	<b>107 981</b>
Compensation of employees	27 956	29 923	34 586	52 892	55 823	60 369	63 689
Goods and services	26 307	40 715	90 178	45 752	42 032	42 301	44 292
<i>of which:</i>							
<i>Inventory</i>	2 456	2 693	2 895	3 170	3 500	4 300	4 580
<i>Travel and subsistence</i>	11 084	7 729	8 090	8 900	9 550	10 450	11 025
<i>Public Transport</i>	8 742	9 616	10 578	11 636	12 799	14 079	14 924
<b>Transfers and subsidies</b>	<b>6 378</b>	<b>7 530</b>	<b>10 112</b>	<b>11 836</b>	<b>11 748</b>	<b>11 896</b>	<b>12 556</b>
Provinces and municipalities	6 378	7 530	10 112	11 836	11 748	11 896	12 556
<b>Payments for capital assets</b>	<b>1 308</b>	<b>477</b>	<b>5 970</b>	<b>2 000</b>	<b>1 448</b>	<b>1 520</b>	<b>1 604</b>
Buildings and other fixed structures	–	–	–	634	–	–	–
Machinery and equipment	1 308	477	2 970	1 366	1 448	1 520	1 604
Software and other intangible assets	–	–	3 000	–	–	–	–
<b>Total</b>	<b>61 949</b>	<b>78 645</b>	<b>140 846</b>	<b>112 480</b>	<b>111 051</b>	<b>116 086</b>	<b>122 141</b>

### Expenditure trends

Expenditure increases at a stable average annual rate of 12 per cent, from R61,9 million in 2002/03 to R122,1 million in 2008/09. The main cost driver is marketing and promotion activities. Over the MTEF, expenditure will increase at a growth rate of 2,8 per cent, mainly due to the additional funding provided for protocol services.

### Service delivery objectives and indicators

#### Recent outputs

The department continued to promote its activities and those of the ministry, as well as South Africa's foreign policy priority areas. This included publications such as the strategic plan, annual report, audio-visual and photographic coverage of principals at the department and in the Presidency in outgoing and incoming visits, and media liaison. The department's imbizo, which took place in Cape Town in 2005, was an effective tool for reaching stakeholders. The department took part in national promotional and marketing events and supported the efforts of the International Marketing Council in promoting and marketing a positive image of South Africa abroad. Some significant promotional events were Freedom Day celebrations and Africa Day celebrations, as well as various international exhibitions, conference, sporting events, film festivals and exchange programmes.

The department managed the logistics for international presidential visits and helped with the logistics for the international visits of former presidents.

The department provided protocol services during the hosting of various international conferences and summits and the presidential inauguration.

During 2004/05, the department began developing an interactive diplomatic website. The department has finished the first phase of developing an interactive website for regulation of the diplomatic community. The second phase has already begun.

## 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	Building and projecting a positive image of South Africa	Roll out Brand SA through a number of missions	111 missions
Protocol	Interactive information exchange with the diplomatic community accredited to South Africa	Complete the second phase of the interactive diplomatic website	December 2006

## Programme 4: International Transfers

The *International Transfers* programme funds fees and contributions to various international organisations through its one subprogramme, *International Organisations*.

### Expenditure estimates

**Table 3.6 International Transfers**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand							
International Organisations	310 813	315 555	275 924	356 530	473 530	552 707	641 914
<b>Total</b>	<b>310 813</b>	<b>315 555</b>	<b>275 924</b>	<b>356 530</b>	<b>473 530</b>	<b>552 707</b>	<b>641 914</b>
Change to 2005 Budget estimate				8 000	105 000	140 000	206 508

#### Economic classification

Transfers and subsidies	310 813	315 555	275 924	356 530	473 530	552 707	641 914
Foreign governments and international organizations	310 813	315 555	275 924	356 530	473 530	552 707	641 914
<b>Total</b>	<b>310 813</b>	<b>315 555</b>	<b>275 924</b>	<b>356 530</b>	<b>473 530</b>	<b>552 707</b>	<b>641 914</b>

#### Details of major transfers and subsidies:

Foreign governments and international organisations							
Current	310 813	315 555	275 924	356 530	473 530	552 707	641 914
Commonwealth Fund for Technical Co-operation	9 300	–	–	–	–	–	–
World Food Programme	170 000	100 000	–	–	–	–	–
United Nations Development Programme	5 620	950	950	950	950	998	1 093
Southern African Development Community: Membership Fees	2 663	17 847	25 764	12 665	12 665	13 298	14 561
Other International Organisations	3 973	3 927	3 851	7 120	7 120	7 476	8 187
Manpower secondment							
African Union	15 059	14 500	31 374	80 000	155 000	161 000	172 495
New Partnership for Africa's Development	19 200	25 000	70 500	30 000	30 000	31 250	34 219
Commonwealth: Membership Fees	7 344	7 000	5 078	7 000	7 000	7 350	8 048
United Nations: Membership Fees	70 796	76 000	44 107	80 000	80 000	84 000	91 980
Indian Ocean Rim Research Centre	–	49	–	120	120	126	138
Humanitarian Aid	6 858	10 000	34 707	21 000	13 000	13 650	14 947
Bacterial and Toxic Weapons Convention	–	414	–	414	414	435	476
African, Caribbean and Pacific: Membership Fee	–	2 087	1 838	2 200	2 200	2 310	2 529
Bureau of International Exposition: Membership Fees	–	25	–	25	25	26	28

**Table 3.6 International Transfers (continued)**

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Comprehensive Test Ban Treaty	–	2 306	2 396	4 986	4 986	5 235	5 732
South Centre	–	1 000	1 007	1 000	1 000	1 050	1 150
Perrez-Guerrero Trust Fund	–	50	–	50	50	53	58
United Nations Development Programme: Local Office Costs	–	4 400	4 352	9 000	9 000	9 450	10 348
African Renaissance Fund	–	50 000	50 000	100 000	150 000	215 000	275 925
<b>Total</b>	<b>310 813</b>	<b>315 555</b>	<b>275 924</b>	<b>356 530</b>	<b>473 530</b>	<b>552 707</b>	<b>641 914</b>

**Expenditure trends**

Payments are influenced by changes in the exchange rate, as most are made at the missions abroad. During 2002/03 and 2003/04, contributions of R170 million and R100 million were made to the World Food Programme.

Over the 2006 MTEF, expenditure will increase at the rapid average annual rate of 21,7 per cent, from R356,5 million in 2005/06 to R641,9 million in 2008/09. This is influenced by the increase in South Africa's contribution to the AU, from 8,2 per cent to 15 per cent of the AU's total budget. Transfer payments to the African Renaissance Fund will increase, due to the recapitalisation of the fund and the expansion of the projects that it supports.

## **Annexure Tables**

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

Table B: Summary of personnel numbers and compensation of employees

Table C: Summary of expenditure on training

Table D: Summary of official development assistance expenditure

Table E: Summary of expenditure on infrastructure

Table F: Summary of departmental public-private partnerships projects

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

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2004/05		2004/05	2005/06			2005/06
1. Administration	366 912	448 784	465 775	456 549	75 025	531 574	446 574
2. Foreign Relations	1 751 020	1 694 238	1 510 540	1 699 874	36 672	1 736 546	1 726 546
3. Public Diplomacy and Protocol	135 122	144 802	140 846	90 118	22 362	112 480	112 480
4. International Transfers	232 760	298 985	275 924	348 530	8 000	356 530	326 530
<b>Total</b>	<b>2 485 814</b>	<b>2 586 809</b>	<b>2 393 085</b>	<b>2 595 071</b>	<b>142 059</b>	<b>2 737 130</b>	<b>2 612 130</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>2 091 198</b>	<b>2 086 853</b>	<b>1 892 203</b>	<b>2 014 234</b>	<b>118 606</b>	<b>2 132 840</b>	<b>2 082 840</b>
Compensation of employees	1 306 670	1 235 919	1 058 368	1 399 758	–	1 399 758	1 349 758
Goods and services	784 528	850 934	833 835	614 476	118 606	733 082	733 082
<b>Transfers and subsidies</b>	<b>233 179</b>	<b>299 409</b>	<b>290 108</b>	<b>348 927</b>	<b>24 086</b>	<b>373 013</b>	<b>343 013</b>
Provinces and municipalities	419	424	14 184	397	16 086	16 483	16 483
Foreign governments and international organisations	232 760	298 985	275 924	348 530	8 000	356 530	326 530
<b>Payments for capital assets</b>	<b>161 437</b>	<b>200 547</b>	<b>210 774</b>	<b>231 910</b>	<b>(633)</b>	<b>231 277</b>	<b>186 277</b>
Buildings and other fixed structures	54 209	77 981	94 972	112 232	20 634	132 866	97 866
Machinery and equipment	104 228	119 566	112 802	119 678	(21 267)	98 411	88 411
Software and intangible assets	3 000	3 000	3 000	–	–	–	–
<b>Total</b>	<b>2 485 814</b>	<b>2 586 809</b>	<b>2 393 085</b>	<b>2 595 071</b>	<b>142 059</b>	<b>2 737 130</b>	<b>2 612 130</b>

Table 3.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
<b>A. Permanent and full-time contract employees</b>							
Compensation (R thousand)	1 077 750	953 354	1 058 368	1 399 758	1 392 501	1 478 983	1 569 592
Unit cost (R thousand)	295	261	273	360	342	346	349
Compensation as % of total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Personnel numbers (head count)	3 655	3 655	3 875	3 884	4 076	4 280	4 493
<b>Total for department</b>							
<b>Compensation (R thousand)</b>	<b>1 077 750</b>	<b>953 354</b>	<b>1 058 368</b>	<b>1 399 758</b>	<b>1 392 501</b>	<b>1 478 983</b>	<b>1 569 592</b>
<b>Unit cost (R thousand)</b>	<b>295</b>	<b>261</b>	<b>273</b>	<b>360</b>	<b>342</b>	<b>346</b>	<b>349</b>
<b>Personnel numbers (head count)</b>	<b>3 655</b>	<b>3 655</b>	<b>3 875</b>	<b>3 884</b>	<b>4 076</b>	<b>4 280</b>	<b>4 493</b>
<b>D. Learnerships</b>							
Payments for learnerships (R thousand) (G&S)	–	–	–	4 000	4 000	4 000	4 000
Number of learnerships (head count)	–	–	–	39	79	79	79

**Table 3.C Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
<b>Training and staff development</b>							
Expenditure (R thousand)	2 156	1 716	2 937	7 000	10 314	12 784	16 859
Number of employees trained (head count)	734	656	1 095	1 165	1 630	2 140	2 696
<b>Bursaries (employees)</b>							
Expenditure (R thousand)	562	625	449	354	381	398	422
Number of employees (head count)	104	116	95	76	81	86	91
<b>Total</b>	<b>2 718</b>	<b>2 341</b>	<b>3 386</b>	<b>7 354</b>	<b>10 695</b>	<b>13 182</b>	<b>17 281</b>
<b>Number of employees</b>	<b>838</b>	<b>772</b>	<b>1 190</b>	<b>1 241</b>	<b>1 711</b>	<b>2 226</b>	<b>2 787</b>

**Table 3.D Summary of official development assistance expenditure**

Donor	Project	Cash/ kind	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
			2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand									
Foreign United Kingdom	Goodwill Action	Cash	111	-	-	-	-	-	-
<b>Total</b>			<b>111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.E Summary of expenditure on infrastructure**

Description	Service delivery outputs	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
		2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
R thousand								
<b>Groups of small projects or programmes</b>								
Construction of missions	Ten residence (Heads of missions)	87 700	77 602	56 703	34 594	192 269	214 200	223 000
<b>Maintenance on infrastructure (capital)</b>								
Maintenance projects		-	-	-	97 406	60 731	101 800	-
<b>Total</b>		<b>87 700</b>	<b>77 602</b>	<b>56 703</b>	<b>132 000</b>	<b>253 000</b>	<b>316 000</b>	<b>223 000</b>

**Table 3.F Summary of departmental public-private partnership projects**

R thousand	Total cost of project	Budget expenditure	Medium-term expenditure estimate		
		2005/06	2006/07	2007/08	2008/09
<b>Projects in preparation, registered in terms of Treasury Regulation 16<sup>1</sup></b>	<b>6 000</b>	<b>12 000</b>	<b>6 000</b>	<b>124 000</b>	<b>131 000</b>
PPP unitary charge	-	-	-	124 000	131 000
Advisory fees	6 000	12 000	6 000	-	-
<b>Total</b>	<b>6 000</b>	<b>12 000</b>	<b>6 000</b>	<b>124 000</b>	<b>131 000</b>

1. Only projects that have received Treasury Approval: 1