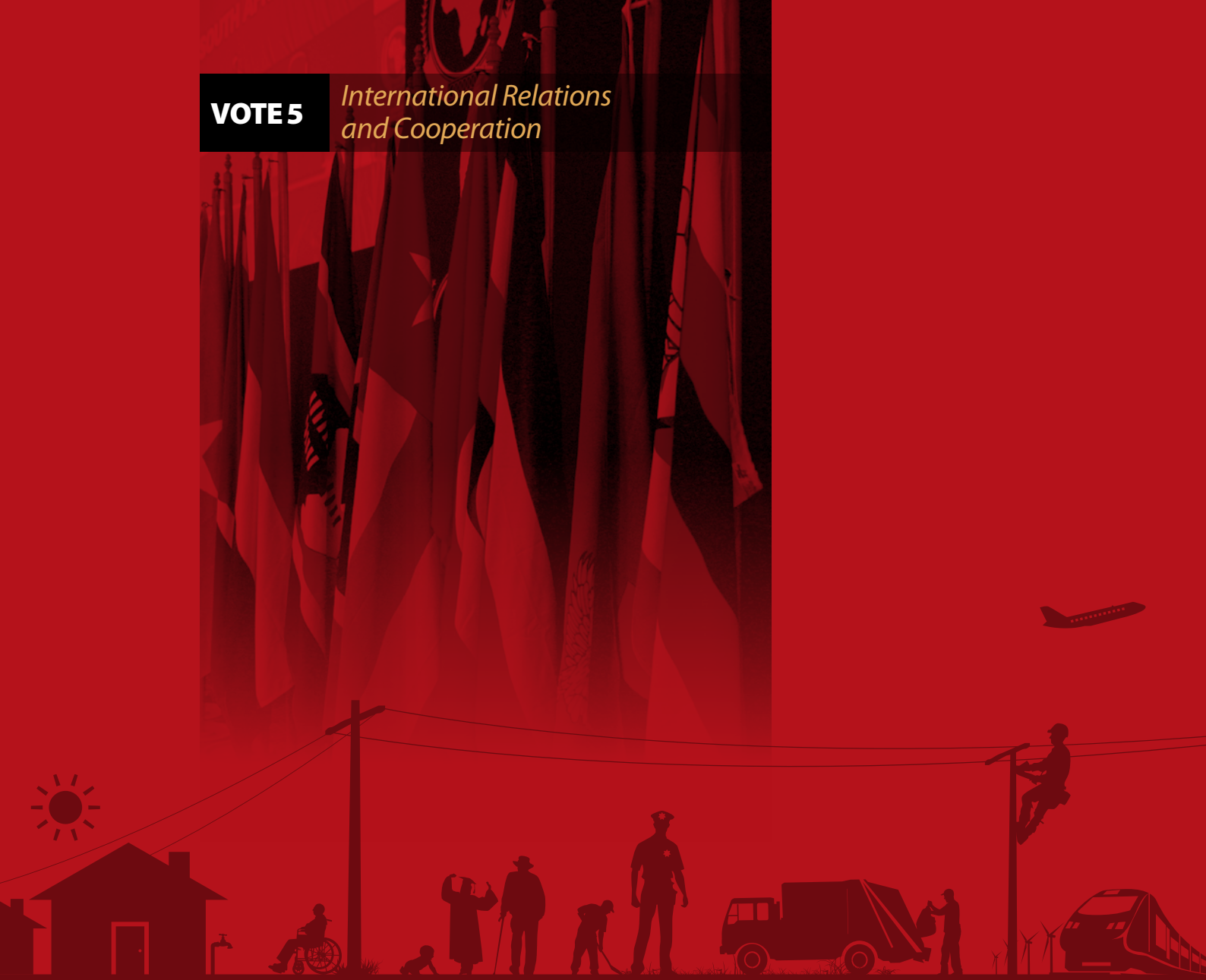


VOTE 5

*International Relations
and Cooperation*



National Treasury

BUDGET 2012

ESTIMATES OF NATIONAL EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Estimates of National Expenditure 2012

National Treasury

Republic of South Africa

22 February 2012



ISBN: 978-0-621-40578-1

RP: 01/2012

The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspending on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



Lungisa Fuzile
Director General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

International Relations and Cooperation

**National Treasury
Republic of South Africa**



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Vote 5

International Relations and Cooperation

Budget summary

R thousand	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 265 310	1 057 627	–	207 683	1 313 036	1 387 736
International Relations and Cooperation	2 802 589	2 763 701	–	38 888	3 095 409	3 276 444
Public Diplomacy and Protocol Services	223 134	222 754	–	380	238 653	252 470
International Transfers	825 558	–	825 558	–	873 914	922 750
Total expenditure estimates	5 116 591	4 044 082	825 558	246 951	5 521 012	5 839 400
Executive authority	Minister of International Relations and Cooperation					
Accounting officer	Director General of International Relations and Cooperation					
Website address	www.dirco.gov.za					

Aim

Formulate, coordinate, implement and manage South Africa's foreign policy and international relations programmes.

Programme purposes

Programme 1: Administration

Purpose: Develop overall policy and manage the department.

Programme 2: International Relations and Cooperation

Purpose: Promote relations with foreign countries. Participate in international organisations and institutions in line with South Africa's national values and foreign policy objectives.

Programme 3: Public Diplomacy and Protocol Services

Purpose: Communicate South Africa's role and position in international relations in the domestic and international arenas. Provide protocol services.

Programme 4: International Transfers

Purpose: Fund membership fees and transfers to international organisations.

Strategic overview: 2008/09 – 2014/15

The mandate of the Department of International Relations and Cooperation is to formulate, coordinate, manage and implement South Africa's foreign policy objectives by: conducting state to state relations; monitoring developments in the international environment; communicating government's policy positions; developing and advising government on policy options; creating mechanisms and avenues for achieving objectives; promoting South Africa's sovereignty and territorial integrity; assisting South African citizens abroad; and assisting partner departments in managing complex international dynamics and situations.

Outcomes based performance

In terms of the national outcomes framework, the department contributes to creating a better South Africa, and to a better and safer Africa and a better world (outcome 11). The department gives effect to this through the following outputs: enhancing the African Agenda and sustainable development; working towards reformed global governance and peace and security institutions; enhancing the integration of the Southern African Development Community (SADC); and enhancing trade, investment and tourism between South Africa and its trade partners.

South Africa maintains diplomatic relations with countries and organisations through 124 missions in 107 countries abroad, and through the accreditation of more than 160 countries and organisations resident in South Africa. The department intends tabling a new bill to repeal the African Renaissance Fund and establish a new fund, the Partnership Fund for Development. This will enhance the fund's operations and also substantially improve the governance of the fund.

Strategic priorities

The department's key priorities include: enhancing the African agenda and sustainable development, through key vehicles such as the New Partnership for Africa's Development (NEPAD) and the African Renaissance and International Cooperation Fund; strengthening political and economic integration of the SADC; strengthening South-South relations; strengthening relations with strategic formations of the North; participating in the global system of governance to promote global security, sustainable development, human rights and international law through its participation in international forums, notably the United Nations (UN) system and its specialised agencies, funds and programmes; and strengthening political and economic relations through the utilisation of structured bilateral mechanisms and high level engagements to reinforce and expand cooperation in the political, economic, and social and security spheres.

The department will continue to participate in the global system of governance to enhance international responsiveness to the needs of developing countries and Africa in particular through a reformed and strengthened rules based multilateral system. These include participation in reforming the UN General Assembly in the final year of South Africa's non-permanent seat to the UN Security Council.

Focus over the medium term

The main objective over the medium term is to ensure that South Africa's foreign relations contribute to an environment that is conducive to sustainable economic growth and development, and serve as a basis for addressing government's identified urgent priorities as stated in the medium term strategic framework.

Partnerships with countries of the South continue to be critical in advancing not only South Africa's own development needs but also that of Africa to create political, economic and social convergence for the fight against poverty, under-development and the marginalisation of the South.

The department will promote the strengthening of South-South cooperation and support the agendas of the South through forums such as the Brazil-Russia-India-China-South Africa forum, the India-Brazil-South Africa Dialogue Forum, the New Africa-Asia Strategic Partnership, the Forum for China-Africa Cooperation, the Indian Ocean Rim Association for Regional Cooperation, the India-Africa forum, the Non-Aligned Movement, G77 and other South-South forums.

The South African Council on International Relations, which was approved by Cabinet in 2011, provides a consultative platform for engaging non-state players in South Africa's international relations.

Selected performance indicators

Table 5.1 International Relations and Cooperation

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total number of diplomatic missions abroad	International Relations and Cooperation	123	124	124	124	124	124	124
Africa	International Relations and Cooperation	46	46	47	47	47	47	47
Asia and the Middle East	International Relations and Cooperation	33	32	32	32	32	32	32
Americas and the Caribbean	International Relations and Cooperation	18	18	18	18	18	18	18
Europe	International Relations and Cooperation	27	28	28	28	28	28	28
Number of bilateral agreements signed with foreign countries	International Relations and Cooperation	59	65	73	75	81	87	87
Number of countries assisted with post-conflict reconstruction and development per year	International Relations and Cooperation	12	5	4	3	4	3	3
Number of countries assisted with democratic election processes per year	International Relations and Cooperation	4	4	2	3	4	5	5
Number of incoming and outgoing visits facilitated per year	Public Diplomacy and Protocol Services	333	350	250	320	310	330	330
Number of people facilitated through the VIP lounges at international airports (OR Tambo International and Cape Town International) per year	Public Diplomacy and Protocol Services	25 178	26 780	26,500	23 100	23 150	22 500	22,500
Number of international conferences hosted by South Africa per year	Public Diplomacy and Protocol Services	5	4	2	3	2	2	2
Number of foreign representatives in South Africa per year	Public Diplomacy and Protocol Services	285	286	309	309	309	309	309

Expenditure estimates

Table 5.2 International Relations and Cooperation

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand								
Administration	1 638 436	1 180 181	1 057 990	1 239 376	1 239 376	1 265 310	1 313 036	1 387 736
International Relations and Cooperation	2 652 843	2 869 244	2 401 321	2 609 668	2 609 668	2 802 589	3 095 409	3 276 444
Public Diplomacy and Protocol Services	152 622	252 855	202 986	494 402	494 402	223 134	238 653	252 470
International Transfers	1 028 363	1 115 161	754 886	809 943	809 943	825 558	873 914	922 750
Total	5 472 264	5 417 441	4 417 183	5 153 389	5 153 389	5 116 591	5 521 012	5 839 400
Change to 2011 Budget estimate				356 621	356 621	(38 304)	(48 306)	(52 926)

Table 5.2 International Relations and Cooperation (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Economic classification								
Current payments	3 318 315	3 747 975	3 502 562	4 146 996	4 146 996	4 044 082	4 401 048	4 656 908
Compensation of employees	1 683 400	1 833 271	1 791 421	1 843 564	1 769 064	1 851 500	2 063 723	2 172 256
Goods and services	1 634 108	1 875 889	1 601 075	2 192 872	2 267 372	2 072 620	2 210 682	2 350 410
<i>of which:</i>								
Administrative fees	17 012	14 762	12 836	11 539	11 539	12 623	15 717	16 658
Advertising	9 369	16 762	15 512	48 311	48 311	18 764	18 731	19 855
Assets less than the capitalisation threshold	8 573	12 389	7 952	8 190	8 190	9 214	8 667	9 188
Audit cost: External	6 656	4 246	13 943	14 665	14 665	15 275	16 154	17 123
Bursaries: Employees	700	890	771	293	293	1 817	2 342	2 892
Catering: Departmental activities	122 602	20 200	17 464	47 564	47 564	32 764	34 523	35 296
Communication	53 565	57 172	50 399	90 962	90 962	85 713	81 171	86 042
Computer services	98 422	97 763	111 236	147 028	168 028	117 383	119 814	127 002
Consultants and professional services: Business and advisory services	6 462	6 532	4 413	17 271	17 271	15 744	15 427	16 352
Consultants and professional services: Infrastructure and planning	6 905	2 564	6 003	–	–	–	–	–
Consultants and professional services: Laboratory services	963	–	–	–	–	–	–	–
Consultants and professional services: Legal costs	10 681	6 823	13 382	–	–	4 506	4 971	5 314
Contractors	43 881	36 837	103 571	59 761	68 647	65 780	83 712	87 535
Agency and support / outsourced services	3 861	3 878	52 984	50 427	50 427	59 965	63 611	67 670
Entertainment	28 833	27 047	12 540	29 309	29 309	31 891	33 584	35 600
Inventory: Food and food supplies	1 197	1 128	1 199	1 139	1 139	1 279	1 342	1 422
Inventory: Fuel, oil and gas	12 149	9 816	9 672	17 777	17 777	19 557	20 919	22 209
Inventory: Materials and supplies	3 694	3 117	1 508	4 057	4 057	4 459	4 258	4 514
Inventory: Medical supplies	154	857	165	278	278	483	523	568
Inventory: Medicine	–	–	–	41	41	43	45	48
Inventory: Other consumables	6 619	8 948	7 626	9 012	9 012	9 264	9 723	10 306
Inventory: Stationery and printing	35 977	23 363	21 654	37 779	37 779	38 896	43 620	46 237
Lease payments	554 028	867 634	555 225	803 315	803 315	730 386	805 067	854 512
Property payments	156 450	225 896	110 742	187 898	190 788	184 077	197 881	216 114
Travel and subsistence	256 628	255 316	260 954	351 413	369 137	269 582	263 066	271 407
Training and development	7 200	6 268	12 440	12 123	12 123	32 484	33 244	34 912
Operating expenditure	120 899	98 864	115 037	92 078	92 078	214 083	229 819	252 369
Venues and facilities	60 628	66 817	81 847	150 642	174 642	96 588	102 751	109 265
Interest and rent on land	807	38 815	110 066	110 560	110 560	119 962	126 643	134 242
Transfers and subsidies	1 077 608	1 171 883	798 468	809 943	809 943	825 558	873 914	922 750
Provinces and municipalities	16 303	23 595	24 164	–	–	–	–	–
Departmental agencies and accounts	698 925	631 371	401 010	450 370	450 370	444 982	476 942	501 960
Foreign governments and international organisations	329 438	483 790	353 876	359 573	359 573	380 576	396 972	420 790
Public corporations and private enterprises	16 576	16 363	1 393	–	–	–	–	–
Non-profit institutions	1 081	–	–	–	–	–	–	–
Households	15 285	16 764	18 025	–	–	–	–	–
Payments for capital assets	1 043 200	340 396	92 548	196 450	196 450	246 951	246 050	259 742
Buildings and other fixed structures	926 728	165 294	70 081	161 444	161 444	207 657	203 629	214 747
Machinery and equipment	81 491	90 741	22 467	35 006	35 006	39 294	42 421	44 995
Land and sub-soil assets	34 981	83 854	–	–	–	–	–	–
Software and other intangible assets	–	507	–	–	–	–	–	–
Payments for financial assets	33 141	157 187	23 605	–	–	–	–	–
Total	5 472 264	5 417 441	4 417 183	5 153 389	5 153 389	5 116 591	5 521 012	5 839 400

Expenditure trends

The spending focus over the MTEF period will be on sustaining economic and political relations; participating in the global governance forums, including serving as the president of the 17th conference of the parties to the UN Framework Convention on Climate Change (COP17) in the implementation of the Durban outcome and as a non-permanent member of the UN Security Council; and supporting the development of the African continent and the regional integration of the SADC by establishing the South African Development Partnership Agency.

In continuing to drive the African Agenda, development will be promoted through disbursing development funding, contributing to post-conflict resolutions and strengthening political and economic integration under the International Relations and Cooperation programme.

Expenditure declined from R5.5 billion in 2008/09 to R5.2 billion in 2011/12, at an average rate of 2 per cent, mainly due to cost saving measures and underspending on infrastructure capital spending. Expenditure in 2011/12 included R200 million allocated for the hosting of COP17.

Over the medium term, expenditure is expected to increase to R5.8 billion, at an average annual rate of 4.3 per cent, due to inflation related adjustments across all programmes and unitary fees for the head office campus building. More than R315 million of this increase provides for inflation related adjustments to spending on compensation of employees, including foreign exchange rate fluctuations. R74.7 million of the increase provides for inflation related adjustments to accommodation lease commitments. Expenditure cuts of R20.3 million in 2012/13, R18.3 million in 2013/14 and R23 million in 2014/15 have been effected from the International Transfers programme for the recapitalisation of the African Renaissance Fund over the medium term. The cut will not affect the fund's operations.

The department uses consultancy services in the provision of ICT maintenance and support for the global ICT network, property portfolio management, and training. Expenditure on consultants increases from R15.7 million in 2012/13 to R16.4 million in 2014/15. Consultants are mainly used to conduct feasibility studies for infrastructure projects.

Infrastructure spending

Spending on infrastructure decreased from R926.6 million in 2008/09 to R191.1 million in 2011/12 due to the completion of the construction of the head office building in 2009.

The spending focus over the MTEF period will be on the completion of renovation of capital projects. R206.9 million in 2012/13, R202.9 million in 2013/14 and R213.9 million in 2014/15 has been budgeted for infrastructure. Of the total infrastructure budget, R121 million has been budgeted for the refurbishment of the Washington chancery and R38.6 million for the refurbishment of the official residence in Tokyo, both of which are scheduled to be completed in 2013/14. The balance will be used as start-up capital for new projects, which will be funded through an alternative funding model that the department is currently investigating. R110 million in 2012/13, R115 million in 2013/14 and R123 million in 2014/15 have been reprioritised from payments for capital assets to fund departmental operations, mainly for foreign mission operational costs.

Personnel information

Table 5.3 Details of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Department	5 211	5 115	110	4 668	4 624	4 671	4 675	5 211	5 211	5 211
Salary level 1 – 6	519	496	69	502	494	422	410	519	519	519
Salary level 7 – 10	3 957	3 898	12	3 561	3 489	3 562	3 640	3 957	3 957	3 957
Salary level 11 – 12	451	441	12	364	388	416	378	451	451	451
Salary level 13 – 16	284	280	17	241	253	271	247	284	284	284
Administration	1 086	1 083	110	920	942	998	995	1 086	1 086	1 086
Salary level 1 – 6	346	346	69	386	381	315	309	346	346	346
Salary level 7 – 10	559	559	12	389	411	513	515	559	559	559
Salary level 11 – 12	121	121	12	96	99	110	108	121	121	121
Salary level 13 – 16	60	57	17	49	51	60	63	60	60	60
International Relations and Cooperation	3 677	3 646	-	3 498	3 416	3 392	3 394	3 677	3 677	3 677
Salary level 1 – 6	62	61	-	59	57	51	49	62	62	62
Salary level 7 – 10	3 129	3 109	-	3 021	2 914	2 870	2 934	3 129	3 129	3 129
Salary level 11 – 12	283	274	-	238	256	273	240	283	283	283
Salary level 13 – 16	203	202	-	180	189	198	171	203	203	203
Public Diplomacy and Protocol Services	448	386	-	250	266	281	286	448	448	448
Salary level 1 – 6	111	89	-	57	56	56	52	111	111	111
Salary level 7 – 10	269	230	-	151	164	179	191	269	269	269
Salary level 11 – 12	47	46	-	30	33	33	30	47	47	47
Salary level 13 – 16	21	21	-	12	13	13	13	21	21	21

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2011.

As at 30 September 2011, the department had an approved establishment of 5 211 posts, including the cadets and learnership programme. 2 240 of the posts were filled by staff recruited from the countries in which the department's diplomatic missions are located.

The number of filled posts within the establishment grew from 4 668 in 2008/09 to 4 675 in 2011/12. Over the MTEF period, filled posts are expected to increase to 5 211 due to the staggered approach that the department has adopted, based on available resources and office space. There were 440 vacancies as at 30 September 2011, 332 of which were in levels 1-10 and 42 on levels 11-16. The department is currently conducting a review of its structure to align these with the additional mandate it is expected to deliver on. The department plans to fill the existing vacancies over the MTEF period. Expenditure on consultants declines to R9.9 million in 2012/13.

The ratio of support staff to line function was 1:4.

Departmental receipts

Table 5.4 Receipts

R thousand	Audited outcome			Adjusted estimate 2011/12	Revised estimate 2011/12	Medium-term receipts estimate		
	2008/09	2009/10	2010/11			2012/13	2013/14	2014/15
Departmental receipts	43 607	23 170	38 817	22 884	22 884	24 090	25 346	26 616
Sales of goods and services produced by department	521	562	-	436	436	541	568	596
Sales by market establishments	521	562	-	147	147	238	250	262
<i>of which:</i>								
<i>Parking fees</i>	521	562	-	147	147	238	250	262
<i>Administration fees</i>	-	-	-	289	289	303	318	334
<i>of which:</i>								
<i>Insurance fees</i>	-	-	-	43	43	45	47	49
<i>Garnishee fees</i>	-	-	-	246	246	258	271	285
Sales of scrap, waste, arms and other used current goods	34 580	431	1 215	112	112	117	122	128
<i>of which:</i>								
<i>Sales of scrap</i>	34 580	431	1 215	112	112	117	122	128
Interest, dividends and rent on land	5 565	894	198	4 445	4 445	4 667	4 900	5 145
Interest	5 565	894	198	730	730	767	805	845
Rent on land	-	-	-	3 715	3 715	3 900	4 095	4 300
Sales of capital assets	2 242	2 540	8 170	3 596	3 596	3 756	3 997	4 197
Transactions in financial assets and liabilities	699	18 743	29 234	14 295	14 295	15 009	15 759	16 550
Total	43 607	23 170	38 817	22 884	22 884	24 090	25 346	26 616

Departmental receipts are generated from: interest earned from mission bank accounts; rent on state owned property; refunds received through value added tax returns from missions related purchases of previous financial years; foreign exchange rate gains; and proceeds of asset disposals such as redundant furniture and fixtures. Revenue decreased from R43.6 million in 2008/09 to R22.9 million in 2011/12, at an average annual rate of 19.3 per cent, due to once-off disposals of assets during the department's relocation from the seven buildings to the new head office campus. Over the medium term, revenue is expected to increase to R26.6 million, at an average annual rate of 5.2 per cent, due to constant increases in interest income.

Programme 1: Administration

Expenditure estimates

Table 5.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Ministry	4 268	3 463	3 987	5 072	5 326	5 619	5 956
Management	68 814	71 309	81 009	155 635	97 260	104 572	111 492
Corporate Services	545 318	578 984	601 643	538 511	605 245	631 300	666 389
Diplomatic Academy	-	52 273	66 409	69 037	83 799	87 078	91 464
Foreign and Domestic Properties Management	959 312	338 391	70 170	191 114	206 985	202 919	213 994
Office Accommodation	60 724	135 761	234 772	280 007	266 695	281 548	298 441
Total	1 638 436	1 180 181	1 057 990	1 239 376	1 265 310	1 313 036	1 387 736
Change to 2011 Budget estimate				(6 075)	(112 346)	(122 060)	(133 466)

Table 5.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	642 012	757 402	968 225	1 078 445	1 057 627	1 109 407	1 172 961
Compensation of employees	197 921	237 224	263 580	311 099	343 588	353 171	364 296
Goods and services	443 284	481 363	594 579	656 786	594 077	629 593	674 423
<i>of which:</i>							
Administrative fees	8 004	6 863	7 771	2 719	2 595	6 143	6 511
Advertising	3 625	3 730	6 245	4 691	5 022	5 262	5 578
Assets less than the capitalisation threshold	2 889	4 744	2 494	24	25	26	28
Audit cost: External	6 656	4 246	13 943	14 665	15 275	16 154	17 123
Bursaries: Employees	700	890	771	293	1 817	2 342	2 892
Catering: Departmental activities	2 296	921	3 068	1 779	2 665	2 775	1 644
Communication	24 425	30 304	13 966	63 757	59 185	59 342	62 906
Computer services	92 037	90 319	105 863	118 662	111 086	113 137	119 925
Consultants and professional services: Business and advisory services	3 180	4 463	3 493	9 893	7 828	8 234	8 728
Consultants and professional services: Infrastructure and planning	940	519	34	–	–	–	–
Consultants and professional services: Legal costs	624	308	200	–	–	–	–
Contractors	20 603	19 882	86 967	29 641	51 384	60 281	62 698
Agency and support / outsourced services	2 016	1 760	51 190	50 427	56 981	60 466	64 414
Entertainment	1 420	1 939	226	1 170	1 050	1 100	1 167
Inventory: Food and food supplies	92	74	53	–	83	86	91
Inventory: Fuel, oil and gas	13	15	3	536	1 333	1 692	1 829
Inventory: Materials and supplies	168	16	41	45	57	60	64
Inventory: Medical supplies	113	184	51	275	294	309	328
Inventory: Other consumables	1 504	1 965	1 114	2 140	1 991	2 092	2 217
Inventory: Stationery and printing	14 436	4 116	7 020	5 513	6 384	6 680	7 081
Lease payments	102 061	98 360	91 584	159 796	95 401	100 341	106 323
Property payments	17 905	88 044	11 621	19 948	21 644	22 850	24 221
Travel and subsistence	69 025	62 888	90 370	109 372	35 459	37 104	39 331
Training and development	5 776	4 861	11 589	3 204	23 436	24 068	25 183
Operating expenditure	58 123	46 813	83 863	56 379	89 498	94 886	109 379
Venues and facilities	4 653	3 139	1 039	1 857	3 584	4 163	4 762
Interest and rent on land	807	38 815	110 066	110 560	119 962	126 643	134 242
Transfers and subsidies	1 081	–	10 724	–	–	–	–
Non-profit institutions	1 081	–	–	–	–	–	–
Households	–	–	10 724	–	–	–	–
Payments for capital assets	994 293	283 247	79 041	160 931	207 683	203 629	214 775
Buildings and other fixed structures	926 728	165 294	71 376	160 931	207 657	203 629	214 747
Machinery and equipment	32 584	33 592	7 652	–	26	–	28
Land and sub-soil assets	34 981	83 854	13	–	–	–	–
Software and other intangible assets	–	507	–	–	–	–	–
Payments for financial assets	1 050	139 532	–	–	–	–	–
Total	1 638 436	1 180 181	1 057 990	1 239 376	1 265 310	1 313 036	1 387 736
Details of transfers and subsidies							
Non-profit institutions							
Current	1 081	–	–	–	–	–	–
Non-profit institution	1 081	–	–	–	–	–	–
Households							
Social benefits							
Current	–	–	10 724	–	–	–	–
Household	–	–	10 724	–	–	–	–

Expenditure trends

Expenditure decreased from R1.6 billion in 2008/09 to R1.2 billion in 2011/12, at an average annual rate of 8.9 per cent. A decline of R458.2 million in 2009/10 partly represents the early works agreement for the construction of the head office campus. The decline in 2011/12 is also attributable to cost saving measures and a reprioritisation of funds from payments for capital assets to fund foreign mission operations and a once-off allocation of R14.7 million in 2011 to cover additional expenditure incurred as a result of a mediation process.

Over the medium term, spending is expected to increase to R1.4 billion, at an average annual rate of 3.8 per cent, due to inflation related adjustments to compensation of employees. The infrastructure capital projects mainly under the Foreign and Domestic Properties Management subprogramme is projected to decline, due to alternative funding models that the department is exploring. R110 million in 2012/13, R115 million in 2013/14 and R123 million in 2014/15 have been reprioritised to fund foreign mission departmental operations.

R24.8 million is allocated for consultants between 2012/13 and 2014/15. Consultants are used mainly to conduct feasibility studies for infrastructure projects, ICT services and training services.

Programme 2: International Relations and Cooperation

Objectives and measures

- Strengthen the African Union (AU) and its structures by:
 - providing financial and technical support for operationalising the African Court of Justice and AU financial institutions by 2012/13
 - providing ongoing 100 per cent financial support for the operations of the Pan African Parliament in terms of the country host agreement.
- Contribute to the political and economic integration of African regions by supporting the implementation of the outcomes of the tripartite summit (the Common Market for Eastern and Southern Africa, the East African Community and the SADC) on establishing a free trade area between the summit countries by January 2013.
- Improve governance and capacity in the SADC secretariat on an ongoing basis by implementing the secretariat's job evaluation plan and assisting with the recruitment process over the MTEF period.
- Contribute towards NEPAD's process for socioeconomic development in Africa by participating in the African Peer Review Mechanism and submitting the African Peer Review Mechanism country report when required.
- Strengthen bilateral, trilateral and multilateral interest and relations within the India-Brazil-South Africa Dialogue Forum through continuous active participation in forum structures.
- Strengthen political solidarity, economic cooperation and socio-cultural relations with Asian countries by participating in New Asian-African Strategic Partnership structures over the MTEF period.
- Strengthen North-South economic and political relations and cooperation to advance the African Agenda by engaging in the G8 annually, and at the Tokyo international conference on African development in 2013.

Subprogrammes

- *Bilateral Relations Management* is a management component at head office that provides strategic policy direction in the implementation of South Africa's foreign policy through diplomatic missions abroad. This subprogramme had a staff complement of 584 and a total budget of R307.3 million in 2011/12, of which 64.8 per cent was used for compensation of employees. In 2011/12, COP17 was successfully hosted in Durban, at a cost of R200 million. No savings in 2012/13 have been identified in this subprogramme.
- *Diplomatic Representation* implements foreign policy and oversees the activities of all South African missions worldwide. This subprogramme had a staff complement of 720 and a total budget of R2.3 billion in 2011/12, of which 47.9 per cent was used for compensation of employees. No savings in 2012/13 have been identified in this subprogramme.

Expenditure estimates

Table 5.6 International Relations and Cooperation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Bilateral Relations Management	400 424	471 937	368 020	307 338	303 213	315 593	334 529
Diplomatic Representation	2 252 419	2 397 307	2 033 301	2 302 330	2 499 376	2 779 816	2 941 915
Total	2 652 843	2 869 244	2 401 321	2 609 668	2 802 589	3 095 409	3 276 444
Change to 2011 Budget estimate				79 842	98 105	91 747	103 713
Economic classification							
Current payments	2 541 613	2 790 175	2 354 945	2 576 339	2 763 701	3 053 428	3 231 944
Compensation of employees	1 424 219	1 523 314	1 439 938	1 334 212	1 393 125	1 584 946	1 675 415
Goods and services	1 117 394	1 266 861	915 007	1 242 127	1 370 576	1 468 482	1 556 529
<i>of which:</i>							
Administrative fees	9 000	7 875	5 011	8 718	9 731	9 211	9 763
Advertising	5 538	6 413	5 970	8 457	8 421	7 829	8 299
Assets less than the capitalisation threshold	5 082	7 435	5 104	8 166	9 180	8 630	9 148
Catering: Departmental activities	119 218	13 853	13 761	28 923	28 967	30 560	32 393
Communication	25 089	22 917	32 956	22 900	23 199	18 139	19 225
Computer services	5 355	6 055	5 159	5 633	5 642	5 952	6 309
Consultants and professional services: Business and advisory services	2 842	2 036	845	4 929	5 936	5 208	5 520
Consultants and professional services: Infrastructure and planning	5 965	2 045	5 969	–	–	–	–
Consultants and professional services: Laboratory services	963	–	–	–	–	–	–
Consultants and professional services: Legal costs	10 057	6 515	13 182	–	4 506	4 971	5 314
Contractors	17 161	15 610	16 431	20 873	14 251	23 277	24 674
Agency and support / outsourced services	1 845	2 118	1 793	–	2 984	3 145	3 256
Entertainment	25 706	19 936	12 201	28 031	30 686	32 373	34 315
Inventory: Food and food supplies	13	18	56	–	–	–	–
Inventory: Fuel, oil and gas	12 114	9 760	9 668	17 241	18 224	19 227	20 380
Inventory: Materials and supplies	3 526	3 100	1 467	4 012	4 402	4 198	4 450
Inventory: Medical supplies	35	662	112	–	185	210	236
Inventory: Other consumables	4 449	6 056	5 431	5 083	5 396	5 669	6 009
Inventory: Stationery and printing	19 606	16 768	11 381	30 084	30 138	33 548	35 561
Lease payments	448 807	765 184	461 700	640 947	632 637	702 261	745 576
Property payments	138 504	137 852	99 110	140 000	138 733	150 931	166 347
Travel and subsistence	147 023	135 874	110 749	158 154	184 580	174 551	177 485
Training and development	1 421	1 407	847	8 919	9 048	9 176	9 729
Operating expenditure	55 496	35 871	29 615	34 366	122 732	132 545	140 457
Venues and facilities	52 579	41 501	66 489	66 691	80 998	86 871	92 083
Transfers and subsidies	31 861	33 127	8 632	–	–	–	–
Public corporations and private enterprises	16 576	16 363	1 393	–	–	–	–
Households	15 285	16 764	7 239	–	–	–	–
Payments for capital assets	47 278	28 285	14 139	33 329	38 888	41 981	44 500
Buildings and other fixed structures	–	–	(89)	513	–	–	–
Machinery and equipment	47 278	28 285	14 241	32 816	38 888	41 981	44 500
Land and sub-soil assets	–	–	(13)	–	–	–	–
Payments for financial assets	32 091	17 657	23 605	–	–	–	–
Total	2 652 843	2 869 244	2 401 321	2 609 668	2 802 589	3 095 409	3 276 444

Table 5.6 International Relations and Cooperation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Households							
Social benefits							
Current	15 285	16 764	6 438	-	-	-	-
Employee social benefits	15 285	16 764	6 438	-	-	-	-
Households							
Other transfers to households							
Capital	-	-	801	-	-	-	-
Household	-	-	801	-	-	-	-
Public corporations and private enterprises							
Public corporations							
Other transfers to public corporations							
Current	16 576	16 363	-	-	-	-	-
Public corporations and private enterprises	16 576	16 363	-	-	-	-	-
Public corporations and private enterprises							
Private enterprises							
Other transfers to private enterprises							
Current	-	-	1 393	-	-	-	-
Other transfers to public enterprises	-	-	1 393	-	-	-	-

Expenditure trends

Expenditure decreased marginally from R2.7 billion in 2008/09 to R2.6 billion in 2011/12, at an average annual rate of 0.5 per cent, due to cost saving measures that the department implemented in 2011/12 on the following services: communication, catering, venues and facilities and travel. Over the medium term, expenditure is expected to increase to R3.3 billion, at an average annual rate of 7.9 per cent, due to cost of living and inflation related adjustments on obligatory expenses such as foreign allowance and accommodation leases. The budget allocation over the MTEF period will enable the department to advance the African Agenda, the agenda of the South and the reform of global governance, and the promotion of South Africa national priorities in multilateral forums and groupings of the South and bilateral structures such as bi-national commissions, joint commissions and other similar mechanisms. The number of bilateral agreements signed with foreign countries increased from 59 in 2008/09 to 65 in 2009/10 and 73 in 2010/11. This is expected to increase from 75 in 2011/12 to 81 in 2012/13 and to remain constant at 87 in the two outer years. Expenditure on these decreased from R400.4 million in 2008/09 to R307.3 million in 2011/12, at an average annual rate of 8.4 percent, and is expected to increase from R307.3 million in 2011/12 to R334.5 million in 2014/15, at an average annual rate of 2.9 per cent.

R31.5 million is allocated for consultancy services between 2012/13 and 2014/15. Consultants are used mainly for translation services.

Programme 3: Public Diplomacy and Protocol Services

Objectives and measures

- Provide ongoing logistical, media and communication support to the ministry through daily updates to missions abroad and through international and local media briefings, conferences and interviews within 10 days of an event.
- Facilitate incoming and outgoing visits by providing protocol and diplomacy services in terms of service delivery standards adopted for the hosting of international conferences and summits, including the NEPAD heads of state implementation committee and the annual AU foreign ministers meeting.

Subprogrammes

- *Public Diplomacy* provides communication and marketing services to the department in the execution of South Africa's international relations and cooperation through an integrated, proactive and target driven public diplomacy and public participation strategy. In executing its functions, the department liaises with the media, engages with national stakeholders, and promotes South Africa's policies and programmes both nationally and internationally. This subprogramme had a staff complement of 105 and a total budget of R53.7 million in 2011/12, of which 60 per cent was used for compensation of employees. In 2011/12, the department's public diplomacy efforts were intensified through an increased number of media events, ministerial outreach programmes, the issuing of publications explaining South Africa's foreign policy positions and making use of social media. No savings in 2012/13 have been identified in this subprogramme.
- *Protocol* deals with protocol administration, protocol ceremonial services, state visits, diplomatic liaison, and intergovernmental or provincial protocol services, which renders support to the president, deputy president and ministers. This subprogramme had a staff complement of 343 and a total budget of R440.7 million, of which 48.6 per cent was used for compensation of employees. In 2011/12, the department facilitated the logistical arrangements of the invited heads of state and government, and imminent persons during COP17 in Durban, which received an allocation of R200 million. No savings in 2012/13 have been identified in this subprogramme.

Expenditure estimates

Table 5.7 Public Diplomacy and Protocol Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Public Diplomacy	36 758	35 272	39 877	53 681	53 354	57 780	61 247
Protocol	115 864	217 583	163 109	440 721	169 780	180 873	191 223
Total	152 622	252 855	202 986	494 402	223 134	238 653	252 470
Change to 2011 Budget estimate				282 854	(5 381)	(1 383)	(1 968)

Economic classification

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Current payments	134 690	200 398	179 392	492 212	222 754	238 213	252 003
Compensation of employees	61 260	72 733	87 903	198 253	114 787	125 606	132 545
Goods and services	73 430	127 665	91 489	293 959	107 967	112 607	119 458
of which:							
Administrative fees	8	24	54	102	297	363	384
Advertising	206	6 619	3 297	35 163	5 321	5 640	5 978
Assets less than the capitalisation threshold	602	210	354	–	9	11	12
Catering: Departmental activities	1 088	5 426	635	16 862	1 132	1 188	1 259
Communication	4 051	3 951	3 477	4 305	3 329	3 690	3 911
Computer services	1 030	1 389	214	22 733	655	725	768
Consultants and professional services:	440	33	75	2 449	1 980	1 985	2 104
Business and advisory services							
Contractors	6 117	1 345	173	9 247	145	154	163
Agency and support / outsourced services	–	–	1	–	–	–	–
Entertainment	1 707	5 172	113	108	155	111	118
Inventory: Food and food supplies	1 092	1 036	1 090	1 139	1 196	1 256	1 331
Inventory: Fuel, oil and gas	22	41	1	–	–	–	–
Inventory: Materials and supplies	–	1	–	–	–	–	–
Inventory: Medical supplies	6	11	2	3	4	4	4
Inventory: Medicine	–	–	–	41	43	45	48
Inventory: Other consumables	666	927	1 081	1 789	1 877	1 962	2 080
Inventory: Stationery and printing	1 935	2 479	3 253	2 182	2 374	3 392	3 595
Lease payments	3 160	4 090	1 941	2 572	2 348	2 465	2 613
Property payments	41	–	11	27 950	23 700	24 100	25 546
Travel and subsistence	40 580	56 554	59 835	83 887	49 543	51 411	54 591
Training and development	3	–	4	–	–	–	–
Operating expenditure	7 280	16 180	1 559	1 333	1 853	2 388	2 533
Venues and facilities	3 396	22 177	14 319	82 094	12 006	11 717	12 420

Table 5.7 Public Diplomacy and Protocol Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Transfers and subsidies	16 303	23 595	24 226	-	-	-	-
Provinces and municipalities	16 303	23 595	24 164	-	-	-	-
Households	-	-	62	-	-	-	-
Payments for capital assets	1 629	28 864	(632)	2 190	380	440	467
Buildings and other fixed structures	-	-	(1 206)	-	-	-	-
Machinery and equipment	1 629	28 864	574	2 190	380	440	467
Payments for financial assets	-	(2)	-	-	-	-	-
Total	152 622	252 855	202 986	494 402	223 134	238 653	252 470

Details of transfers and subsidies

Households							
Other transfers to households							
Current	-	-	62	-	-	-	-
Household	-	-	62	-	-	-	-
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	16 303	23 595	24 164	-	-	-	-
Regional Services Council levies	16 303	23 595	24 164	-	-	-	-

Expenditure trends

Expenditure grew significantly from R152.6 million in 2008/09 to R494.4 million in 2011/12, at an average annual rate of 48 per cent, due to expenditure of R200 million for the hosting of COP17. The increase is also attributable to South Africa's participation in mediation and facilitation processes in the Middle East and North Africa. Over the medium term, expenditure is expected to decrease to R252.5 million, at an average annual rate of 20.1 per cent, due to the once off allocation of R200 million in 2011/12 for hosting COP17. The budget allocation over the MTEF period will enable the department to market and brand South Africa in international affairs and to fulfil its international obligations. The number of incoming and outgoing visits facilitated per year increased from 250 in 2010/11 to 320 in 2011/12. This increase was due to the successful hosting of the conference in December 2011. Over the MTEF period, the number of incoming and outgoing visits facilitated will increase to 330 in 2014/15.

R6.1 million is allocated for consultancy services between 2012/13 and 2014/15. Consultants are used mainly for the translation of marketing material and communication between foreign missions.

Programme 4: International Transfers

- *International Organisations* provides for South Africa's contribution to membership fees of international organisations such as the UN, AU and SADC. It also provides for transfers to the African Renaissance and International Cooperation Fund as contribution to its operations.

Expenditure estimates

Table 5.8 International Transfers

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
International Organisations	1 028 363	1 115 161	754 886	809 943	825 558	873 914	922 750
Total	1 028 363	1 115 161	754 886	809 943	825 558	873 914	922 750
Change to 2011 Budget estimate				-	(18 682)	(16 610)	(21 205)
Economic classification							
Transfers and subsidies	1 028 363	1 115 161	754 886	809 943	825 558	873 914	922 750
Departmental agencies and accounts	698 925	631 371	401 010	450 370	444 982	476 942	501 960
Foreign governments and international organisations	329 438	483 790	353 876	359 573	380 576	396 972	420 790
Total	1 028 363	1 115 161	754 886	809 943	825 558	873 914	922 750

Table 5.8 International Transfers (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	698 925	631 371	401 010	450 370	444 982	476 942	501 960
African Renaissance and International Cooperation Fund	698 925	631 371	401 010	450 370	444 982	476 942	501 960
Foreign governments and international organisations							
Current	329 438	483 790	353 876	359 573	380 576	396 972	420 790
African Union	118 459	218 980	116 688	128 860	137 360	144 500	153 170
Group of 77 Countries	105	114	132	115	115	115	122
India Brazil South Africa Trust Fund	7 378	7 679	8 280	7 580	8 080	8 500	9 010
New Partnership for Africa's Development	31 620	26 968	17 500	7 500	7 500	7 500	7 950
Organisation for Economic Cooperation and Development	216	398	–	236	236	236	250
Other international organisations	1 032	911	742	1 126	2 706	2 787	2 954
Gambian government: local office costs	211	–	–	–	–	–	–
United Nations Development Programme	5 200	3 946	4 718	5 600	5 600	5 600	5 933
African, Caribbean and Pacific Group of states	3 650	3 706	7 251	3 948	3 948	3 948	4 185
Bureau of International Exposition	27	–	–	30	30	30	32
Commonwealth	17 745	7 521	5 373	9 399	9 399	9 399	9 963
Southern African Development Community	30 789	43 240	38 323	40 515	43 188	45 433	48 159
United Nations	79 381	124 176	118 356	117 720	125 470	131 980	139 899
United Nations Human Rights Council	316	–	171	346	346	346	367
Bacterial and Toxic Weapons Convention	458	117	21	501	501	501	531
Comprehensive Test Ban Treaty	5 518	2 913	2 425	6 032	6 032	6 032	6 394
Humanitarian aid	24 072	40 806	28 656	24 000	24 000	24 000	25 440
Indian Ocean Rim Research Centre	133	–	–	145	145	145	154
Perrez-Guerrero Trust Fund	56	60	65	61	61	61	65
South Centre Capital Fund	1 107	1 155	1 223	1 210	1 210	1 210	1 283
United Nations Development Programme in Southern Africa	1 052	1 100	1 150	1 150	1 150	1 150	1 219
United Nations technical cooperation	105	–	302	115	115	115	122
United Nations Voluntary Fund for Disability	70	–	–	76	76	76	81
United Nations Children's Fund	211	–	–	230	230	230	244
United Nations Convention on the Law of Sea	527	–	–	578	578	578	613
African Peer Review Mechanism	–	–	2 500	2 500	2 500	2 500	2 650
International cooperation and technical assistance	–	–	–	–	–	–	–

Expenditure trends

Expenditure decreased from R1 billion in 2008/09 to R809.9 million in 2011/12, at an average annual rate of 7.7 per cent, due to foreign exchange rate fluctuations and the reduction in the recapitalisation of the African Renaissance Fund. Over the medium term, expenditure is expected to increase to R922.8 million, at an average annual rate of 4.4 per cent, mainly due to inflationary increases. As a result, transfers to foreign governments and international organisations are expected to increase from R359.6 million in 2011/12 to R420.8 million in 2014/15, at an average annual rate of 5.4 per cent.

Public entities and other agencies

African Renaissance and International Cooperation Fund

The African Renaissance and International Cooperation Fund was established in terms of the African Renaissance and International Cooperation Fund Act (2000). The vision of the fund is to promote an African continent that is democratic, non-racial, non-sexist, conflict free and development oriented. The fund promotes economic cooperation between South Africa and other African countries by funding a range of projects.

In promoting democracy and good governance, the fund provides financial support for elections, institutional restructuring and government reform in identified African countries. The fund also supports initiatives that enable partner countries to promote justice, human rights and respect for international law.

The fund supports educational programmes, human resource development and management training, and offers student bursaries. It also provides for the facilitation of cooperation agreements between South Africa and identified African governments in pursuit of the creation of better African relations in areas such as agricultural support, medical services, infrastructure development and post-conflict resolution. Examples include the supplying of seeds and fertilisers to Zimbabwe for agricultural support, humanitarian assistance to Somalia in the wake of the famine there and the rise project in Guinea Conakry.

In line with its aim of contributing to the wellbeing and needs of women and children in relation to food and nutrition, health, water and sanitation, from time to time the fund identifies projects for providing humanitarian assistance and disaster relief.

Over the medium term, the fund will support projects that contribute to South Africa's foreign policy priority as stated in the medium term strategic framework, particularly on the consolidation of the African Agenda.

Selected performance indicators

Table 5.9 African Renaissance and International Cooperation Fund

Indicator	Programme/Activity/Objective/Project	Past			Current	Projected		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Value of funds approved for promoting democracy and good governance per year	Other projects	3 600	393 611	141 000	110 380	86 000	91 000	96 400
Value of funds approved for the prevention and resolution of conflicts per year	African Monitor	10 000	100 742	90 072	80 000	110 149	118 559	124 487
Value of funds approved for humanitarian assistance and disaster relief per year	African Monitor	300 000	10 000	10 000	15 000	15 000	15 000	15 000
Value of funds approved for cooperation between South Africa and other countries per year	Zimbabwe projects	42 000	72 018	70 000	130 000	134 738	144 479	151 963
Value of funds approved for human resources development per year	Africa's Musical Instruments International Vocational Innovation Centre	20 000	25 000	80 000	54 990	49 095	55 404	58 174
Value of funds approved for socioeconomic development and integration per year	African Monitor	100 000	30 000	10 000	60 000	50 000	52 500	55 125

Programmes/activities/objectives

Table 5.10 African Renaissance and International Cooperation Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Maloti-Drakenstein transformier	-	-	60 000	-	-	-	-
Zimbabwe projects	313 500	300 000	-	-	-	-	-
African monitor	-	-	-	25 000	30 000	45 000	47 700
Africa's Musical Instruments International Vocational Innovation Centre	-	-	50 000	75 000	75 500	40 500	42 930
Pan African Women Organisation	-	-	60 000	160 000	195 000	220 000	233 200
Sudan elections	-	-	4 000	-	-	-	-
Other projects	-	-	227 072	190 370	144 482	171 442	178 130
Other objectives	162 100	31 000	-	-	-	-	-
Total expense	475 600	331 000	401 072	450 370	444 982	476 942	501 960

The African Renaissance and International Cooperation Fund had a total budget of R450.4 million in 2011/12, of which 35.5 per cent was used for the Pan African Women Organisation project.

Savings and cost effectiveness measures

R20.3 million in 2012/13, R18.3 million in 2013/14 and R23 million in 2014/15 have been effected as expenditure cuts.

Expenditure estimates

Table 5.11 African Renaissance and International Cooperation Fund

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	46 174	33 885	60 763	65 497	68 772	72 210	76 543
<i>Other non-tax revenue</i>	46 174	33 885	60 763	65 497	68 772	72 210	76 543
Transfers received	698 925	631 371	401 072	450 370	444 982	476 942	501 960
Total revenue	745 099	665 256	461 835	515 867	513 754	549 152	578 503
Expenses							
Transfers and subsidies	475 600	331 000	401 072	450 370	444 982	476 942	501 960
Total expenses	475 600	331 000	401 072	450 370	444 982	476 942	501 960
Surplus / (Deficit)	269 499	334 256	60 763	65 497	68 772	72 210	76 543
Statement of financial position							
Receivables and prepayments	41 282	44 297	70 617	70 617	70 617	70 617	70 617
Cash and cash equivalents	698 725	1 031 982	1 430 817	1 496 314	1 565 086	1 637 296	1 713 839
Total assets	740 007	1 076 279	1 501 434	1 566 931	1 635 703	1 707 913	1 784 456
Accumulated surplus / (deficit)	297 863	598 206	1 056 041	1 121 538	1 190 310	1 262 520	1 339 063
Trade and other payables	442 144	478 073	445 393	445 393	445 393	445 393	445 393
Total equity and liabilities	740 007	1 076 279	1 501 434	1 566 931	1 635 703	1 707 913	1 784 456

Expenditure trends

The spending focus over the medium term will be on projects relating to promoting peace and stability in Africa, reconstruction and development, and support for urgent humanitarian needs, specifically the Pan African Women's Organisation and African Monitor projects. This will help to promote democracy, good governance and the prevention and resolution of conflict.

The main source of funding for the fund is a transfer payment from the Department of International Relations and Cooperation and interest income from bank deposits with the Corporation for Public Deposits in the South African Reserve Bank. Transfers received decreased from R698.9 million in 2008/09 to R450.4 million in 2011/12, at an average annual rate of 13.6 per cent, due to a once off allocation of R300 million for Zimbabwean projects. Over the medium term, transfers received are expected to increase to R502 million, at an average annual rate of 3.7 per cent, for normal projects of the fund.

Between 2008/09 and 2011/12, expenditure decreased from R475.6 million to R450.4 million, at an average annual rate of 1.8 per cent. This was due to the saving that was identified in 2010/11 year, due to the slow spending on African Renaissance Fund. Over the medium term, expenditure is expected to increase to R502 million, at an average annual rate of 3.7 per cent, due to inflationary adjustments.

Personnel information

The fund's activities are administered and managed by the advisory committee. In its current format, the fund does not have any personnel and the allocation is earmarked for the funding of projects. The fund is completely supported and administered by the department.

Additional tables

Table 5.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	2010/11		2010/11	2011/12			2011/12
Administration	1 020 011	1 278 584	1 057 990	1 245 451	(6 075)	1 239 376	1 239 376
International Relations and Cooperation	2 786 823	2 375 086	2 401 321	2 529 826	79 842	2 609 668	2 609 668
Public Diplomacy and Protocol Services	232 867	233 923	202 986	211 548	282 854	494 402	494 402
International Transfers	784 725	828 225	754 886	809 943	–	809 943	809 943
Total	4 824 426	4 715 818	4 417 183	4 796 768	356 621	5 153 389	5 153 389

Economic classification

Current payments	3 688 595	3 553 437	3 502 562	3 703 086	443 910	4 146 996	4 146 996
Compensation of employees	2 017 148	1 858 575	1 791 421	1 704 464	139 100	1 843 564	1 769 064
Goods and services	1 671 447	1 694 862	1 601 075	1 998 622	194 250	2 192 872	2 267 372
Interest and rent on land	–	–	110 066	–	110 560	110 560	110 560
Transfers and subsidies	820 155	872 253	798 468	809 943	–	809 943	809 943
Provinces and municipalities	22 315	25 000	24 164	–	–	–	–
Departmental agencies and accounts	401 072	401 072	401 010	450 370	–	450 370	450 370
Foreign governments and international organisations	383 653	427 153	353 876	359 573	–	359 573	359 573
Public corporations and private enterprises	–	–	1 393	–	–	–	–
Non-profit institutions	–	2 199	–	–	–	–	–
Households	13 115	16 829	18 025	–	–	–	–
Payments for capital assets	315 676	290 128	92 548	283 739	(87 289)	196 450	196 450
Buildings and other fixed structures	237 554	267 854	70 081	250 923	(89 479)	161 444	161 444
Machinery and equipment	78 122	22 274	22 467	32 816	2 190	35 006	35 006
Payments for financial assets	–	–	23 605	–	–	–	–
Total	4 824 426	4 715 818	4 417 183	4 796 768	356 621	5 153 389	5 153 389

Table 5.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
Compensation of employees (R thousand)	1 683 400	2 062 616	1 958 553	1 769 064	1 851 500	2 063 723	2 172 256
Training expenditure (R thousand)	8 087	12 417	12 456	28 158	17 781	19 975	20 974
Training as percentage of compensation	0.5%	0.6%	0.6%	1.6%	1.0%	1.0%	1.0%
Total number trained in department (headcount)	1 139	1 139	962	1 962			
<i>of which:</i>							
<i>Employees receiving bursaries (headcount)</i>	9	9	38	14			
<i>Learnerships (headcount)</i>	42	42	39	37			
<i>Internships (headcount)</i>	–	–	14	–			

Table 5.C Summary of departmental public private partnership projects

Project description: Public private partnership for the design, construction, cooperation and maintenance of a suitable and sustainable working environment for the department of International relations and cooperation	Project annual unitary fee at time of contract	Budgeted Expenditure	Medium-term expenditure estimate		
			2011/12	2012/13	2013/14
R thousand					
Projects signed in terms of Treasury Regulation 16	101 254	170 000	185 850	196 257	208 032
Public private partnership unitary charge	101 254	170 000	185 850	196 257	208 032
Total	101 254	170 000	185 850	196 257	208 032

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Public private partnership for the design, construction, operation and maintenance of a suitable and sustainable working environment for the department
Brief description	New head office building: public private partnership agreement for the design, construction, operation and maintenance of a suitable and sustainable working environment
Date public private partnership agreement was signed	13 March 2009
Duration of public private partnership agreement	25 years
Escalation index for unitary fee	CPI
Significant contingent fiscal obligations including termination payments, guarantees, warranties and indemnities and maximum estimated value of such liabilities	As per the contingent fiscal liability report as approved by National Treasury in August 2008

Table 5.D Summary of donor funding

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2011/12	Medium-term expenditure estimate		
							2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand Foreign in Cash Germany	Capacity and institutional building for South Sudan	International Relations and Cooperation	2009 to 2011	12 404	Foreign governments and international organisations	Capacity and institutional building for South Sudan: Training of the South Sudan government officials in the fields of judiciary, legal affairs and minerals and energy	-	12 404	-	-	-	-	-
Belgium	Burundi peace process	International Relations and Cooperation	2009 to 2011	2 471	Foreign governments and international organisations	Burundi peace process: Development and construction of the Rubira assembly area for the disarmament and demobilisation of National Forces of Liberation combatants	-	2 471	-	-	-	-	-
Norwegian government	Burundi peace process	International Relations and Cooperation	2009 to 2011	646	Foreign governments and international organisations	Burundi peace process: Final assistance to hold the extraordinary congress as the last outstanding step in the peace process	-	646	-	-	-	-	-
France	Burundi peace process	International Relations and Cooperation	2010 to 2011	4 438	Foreign governments and international organisations	Burundi peace process: Comprehensive ceasefire	4 438	-	-	-	-	-	-
The Netherlands	Integration of armed force in the Democratic Republic of the Congo	International Relations and Cooperation	2010 to 2011	22 198	Foreign governments and international organisations	Capacity building: Comprehensive ceasefire in the Burundi peace process	15 300	-	-	-	-	-	-
South African broadcasting services	Humanitarian assistance to Haiti	International Transfers	2010 to 2011	2 500	Foreign governments and international organisations	Humanitarian Assistance to Haiti after the 2010/11 earthquake	-	-	2 500	-	-	-	-
Total				44 657			19 738	15 521	2 500	-	-	-	-

Table 5.E Summary of expenditure on infrastructure

Project name R thousand	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate	
				2008/09	2009/10	2010/11		2012/13	2013/14
Departmental infrastructure									
Head office campus	Functional and effective office accommodation	Handed over	965 519	665 519	-	-	-	-	-
New Delhi: Construction of chancery and official residence	Functional and effective office accommodation and official residence	Feasibility	370 000	35 000	-	34 000	-	-	-
Dar es Salaam: Construction of chancery	Functional and effective office accommodation	Construction	49 500	800	9 000	28 000	9 120	10 000	32 000
Lilongwe: Construction of chancery and staff housing	Functional and effective office accommodation and staff housing	Construction	68 800	1 400	5 600	19 500	7 500	15 000	42 319
Standard chancery and official residence design project concept	Once off project with an aim to design a standard concept for the chancery and official residence	Design	800	-	-	-	800	800	-
Kigali: Construction of chancery and official residence	Functional and effective office accommodation and official residence	Design	49 500	800	3 700	5 500	4 320	1 500	-
Mbabane: Construction of staff housing	Functional and effective staff housing	Feasibility	70 000	1 200	7 500	22 000	5 000	-	-
Mbabane: Construction of chancery	Functional and effective office accommodation	Feasibility	39 000	-	2 500	3 500	-	-	1 500
Riyadh: Construction of chancery and official residence	Functional and effective office accommodation and official residence	Feasibility	75 000	-	1 800	2 700	-	-	-
Dakar: Construction of chancery	Functional and effective office accommodation	Feasibility	48 000	-	800	2 200	-	-	-
Bamako: Construction of chancery, official residence and staff housing	Functional and effective office accommodation, official residence and staff housing	Feasibility	48 000	-	800	2 200	-	-	-
Montevideo: Construction of staff housing	Functional and effective staff housing	Feasibility	4 500	-	800	-	-	-	-
Luanda: Property acquisition	Functional and effective office accommodation	Identification	120 000	-	1 500	2 500	3 500	-	-
Lagos: Property acquisition	Functional and effective office accommodation	Identification	60 000	-	-	-	-	-	60 000
Gaborone: Construction of official residence	Functional and effective official residence	Feasibility	21 000	1 400	3 500	-	-	-	-
Beijing: Property acquisition	Functional and effective office accommodation	Identification	125 000	-	-	-	-	-	-
Mumbai: Property acquisition	Functional and effective office accommodation	Identification	105 000	-	-	-	-	-	-
Nairobi: Property acquisition	Functional and effective office accommodation	Identification	70 000	-	-	-	-	-	-
Cairo: Property acquisition	Functional and effective office accommodation	Identification	45 000	-	-	-	-	-	-

Table 5.E Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Departmental infrastructure										
R thousand										
London: Property acquisition of 100 year lease for the chancery	Functional and effective office accommodation	Identification	100 000	-	-	-	-	-	-	-
London: refurbishment of official residence	Refurbishment of infrastructure	Tender	48 000	-	-	49 860	500	-	-	-
Washington: Refurbishment of chancery	Refurbishment of infrastructure	Construction	153 000	59 400	79 200	41 000	106 085	15 000	-	-
Juba: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	91 900	-	-	-	120	6 300	33 844	-
Copenhagen: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	35 000	-	-	-	1 240	5 000	23 000	6 000
Paris: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Tender	75 000	-	-	-	900	800	1 000	36 600
The Hague: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	132 000	-	-	-	5 150	21 000	65 000	41 900
Brasilia: Refurbishment of chancery and staff housing	Refurbishment of infrastructure	Feasibility	20 000	-	-	-	289	3 000	16 800	-
Madrid: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	11 500	-	-	-	1 500	-	-	10 000
Sao Paulo: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	7 500	-	-	-	-	-	-	-
Tokyo: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	42 000	-	-	-	1 200	38 600	-	-
Rome: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	4 700	-	-	-	62	4 700	-	-
London: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	100 000	-	-	-	-	-	-	-
Kinshasa: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	20 000	-	-	-	-	-	-	500
New York: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	5 000	-	-	-	-	-	-	-
Buenos Aires: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	25 000	-	-	-	-	-	-	-
Harare: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	10 000	-	-	-	-	-	-	500
Maputo: Refurbishment of chancery, official residence and staff housing	Refurbishment of infrastructure	Feasibility	50 000	-	-	-	-	-	-	500
Lisbon: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	15 000	-	-	-	-	-	-	-
Tehran: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	2 500	-	-	-	-	-	-	-
Brasilia: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	2 500	-	-	-	-	-	-	-
Oslo: Refurbishment of chancery	Functional and effective office accommodation	Identification	-	-	-	-	100	-	-	-
Vienna: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	10 000	-	-	-	-	-	-	-

Table 5.E Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
Departmental infrastructure										
Abuja: Construction of chancery and official residence	Functional and effective office accommodation and official residence	Handed over	122	26 100	42 600	19 400	12 500	-	-	
Pan African Parliament	Functional and effective office accommodation and Parliament accommodation	Feasibility	-	48 000	-	30 000	-	-	-	
Maseru	Functional and effective office accommodation	Identification	105 200	46 400	-	-	1 430	-	-	
Tokyo: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	-	-	-	-	16 864	-	-	
Refurbishment at various missions	Refurbishment of infrastructure	Various	60 200	40 600	6 000	55 400	18 031	-	-	
Total			3 460 741	926 619	165 300	267 900	191 114	206 985	202 919	213 994

National Treasury
BUDGET 2012
ESTIMATES OF NATIONAL EXPENDITURE

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