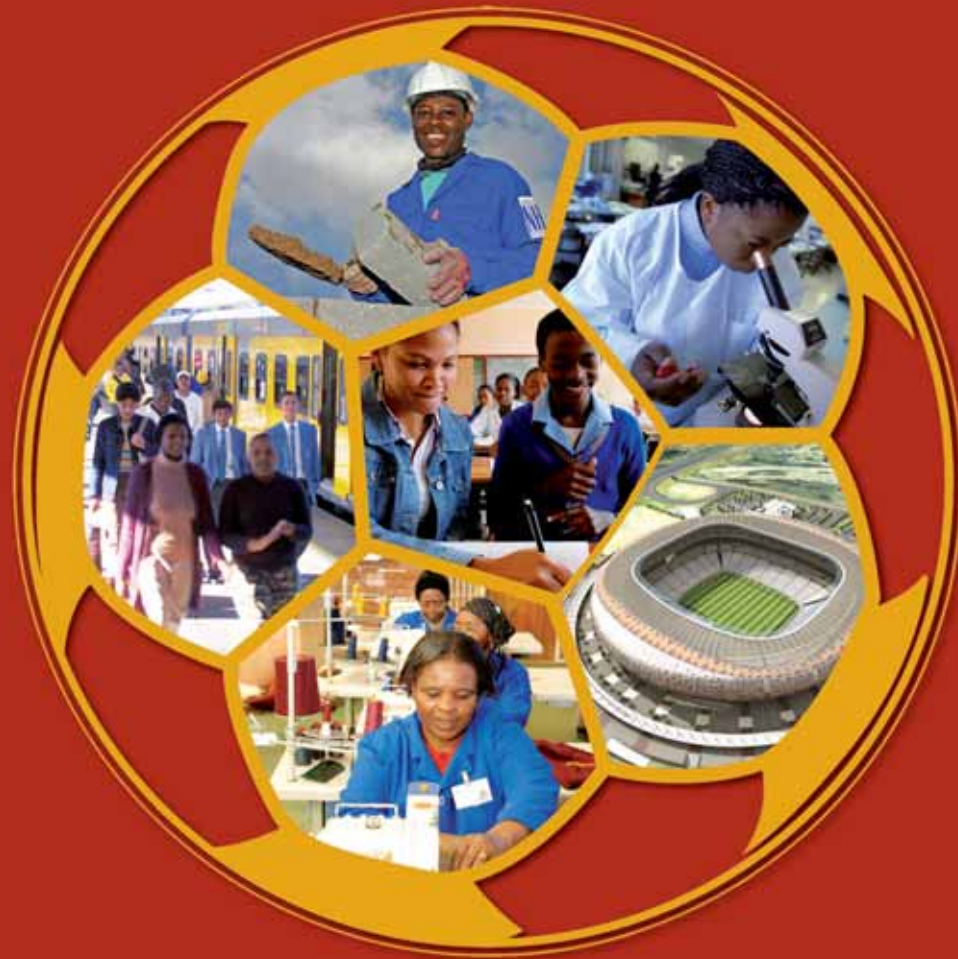


Vote 5

International Relations and Cooperation



Estimates of National Expenditure 2010



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure 2010

National Treasury

Republic of South Africa

17 February 2010



ISBN: 978-0-621-39079-7

RP: 03/2010

The *Estimates of National Expenditure 2010* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In this booklet, more comprehensive coverage of goods and services, transfers, public entities and lower level institutional information is provided where applicable.

The *Estimates of National Expenditure 2010* as well as the *Estimates of National Expenditure 2010* booklets are also available on www.treasury.gov.za

Foreword

The Estimates of National Expenditure publication provides Parliament, departments and public entities, ministers, the media, civil society and the public with information about how tax payers' money is being spent: what it buys and for what purpose. Do not be concerned regarding the magnitude of this publication. Instead, let us use this unique reference tool to keep departments and agencies accountable and ensure that the expenditure of public funds achieves its intended policy outcomes, ultimately improving the welfare of our people.

Budgets link the policy choices that government makes with the services that are delivered to people – better budgeting plays an important role in improving service delivery. In line with the 2009 Medium Term Strategic Framework, government has adopted 12 desirable outcomes. At the output level, departments and agencies continue to set targets; for the first time these are in support of the attainment of officially stated outcomes. Budgeted spending on outputs and activities will increasingly reflect this.

Following the 2009 elections, a re-organisation of departments was proclaimed to give effect to the required government policy shifts and to accommodate the necessary changes in the programmes and activities of departments and entities. Several new national departments were created; some functions were transferred between departments. This also resulted in certain national departments being re-named to better capture the content of their new responsibilities. In terms of the new structure of government there are now 37 votes in the Estimates of National Expenditure publication, whereas in 2009 there were 34 votes.

This consolidated publication provides extensive vote level information on strategies and objectives. Legislation, policy developments and other factors affecting these are also noted. Information is presented in a format that aligns government's performance commitments with resource allocations. As with the 2009 Budget, we will publish booklets for individual votes that will provide full coverage of public entities and more detail on transfers and lower level institutional information.

Given the current economic climate, there are greater trade-offs in choosing between spending priorities or in the sequencing of programme implementation. Outputs and activities are constantly being re-evaluated to determine if more effective and cost efficient options are available. As a result, some programmes have to be delayed. Alongside the additions to spending, this publication also indicates details per national vote of savings amounting to R23 billion over the period ahead. These savings have been reallocated to other departments in order to augment funding for government's priorities.

All the figures, targets and outputs result from a wide ranging intergovernmental consultative process, leading to executive approval of additional spending allocations and savings. Many people have contributed to making this publication possible, especially my colleagues in national departments and agencies. Their collaboration and understanding during the allocation and publication processes has been invaluable. Thanks are also due to the dedicated National Treasury team for the publication of this useful resource.



Lesetja Kganyago

Director-General: National Treasury

Introduction

Transparent and accountable governance is strengthened when comprehensive budget documents are tabled for public scrutiny and legislative oversight. The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. Specifically, it serves to:

- provide members of Parliament with detailed information on how departments and public entities plan to spend the money that is to be authorised by the legislature
- enable Parliament and society to keep departments and agencies accountable for service delivery commitments that are set out in each chapter
- provide parliamentary committees with a valuable source of information that can assist them in performing their oversight functions.

Although it contains a large volume of information, the 2010 Estimates of National Expenditure presents a summarised account of the spending plans of all national departments and agencies for the next three financial years (2010/11 to 2012/13), expenditure outcomes for the past three years (2006/07 to 2008/09) and revised estimates for the current year (2009/10). Newly formed departments are covered in the same way. Information is also provided on legislation and mandates, policy, strategies, objectives and performance targets over the seven-year period – as well as any changes in these, particularly as they relate to trends in planned expenditure. This provides a platform for review that could result in new policy options or operational alternatives in the achievement of government's objectives.

In keeping with ongoing improvements in the way that public finances are managed and reported, both the quality of information and presentation of the 2010 Estimates of National Expenditure have been enhanced. Information on new departments is mostly covered by way of a separate chapter, although in some cases departments are accommodated within a shared vote and discussed together in the same chapter. Information on savings and cost effective service delivery is included under a separate heading following the strategic overview section. Spending on selected key mega infrastructure projects is discussed in text boxes in the expenditure trends sections of relevant votes. For some votes a new personnel table has been included, showing personnel numbers in relation to the different salary levels and other information, such as the number and type of posts on funded establishment and posts filled. The 2010 Estimates of National Expenditure booklets, which are published separately for each vote, provide more extensive coverage on transfers, public entities, goods and services and lower level institutional information.

Value for money

Budget accountability has historically focused mainly on targeting the performance of government departments and agencies at the output level. Government has now adopted an approach which provides a new methodology that is focused on the attainment of 12 desirable outcomes, using measurable outputs and well defined activities to achieve better value, as well as better value for money. The medium term expenditure framework (MTEF) for the next three years targets spending on government's official outcomes and simultaneously seeks to change the culture in the public service towards greater prudence and efficiency in order to obtain better value for money.

The Ministry for the National Planning Commission and the Ministry for Performance Evaluation and Monitoring are to ensure that planning and implementation in government institutions are focused on the achievement of outcomes and the improvement of performance. In line with this service delivery orientation, new functions and a reconfiguration of existing functions have led to a new national government structure. Taking account of the creation of new departments, 37 votes are now contained in the 2010 Estimates of National Expenditure. The table below provides a list of the new votes and alongside each, the department/s from which functions have been shifted in order to form the basis of the new department.

Newly created vote	Department/s from which all or some functions have been shifted
Agriculture, Forestry and Fisheries	Agriculture Water Affairs and Forestry Environmental Affairs and Tourism
Water Affairs	Water Affairs and Forestry
Human Settlements	Housing Water Affairs and Forestry
Environmental Affairs	Environmental Affairs and Tourism
Tourism	Environmental Affairs and Tourism
Basic Education	Education
Higher Education and Training	Education Labour (still exists)
Cooperative Governance and Traditional Affairs	Provincial and Local Government
Defence and Military Veterans	Defence
Economic Development	Trade and Industry (still exists)
Energy	Minerals and Energy
Mineral Resources	Minerals and Energy
International Relations and Cooperation	Foreign Affairs
Police	Safety and Security
Rural Development and Land Reform	Land Affairs Provincial and Local Government
Women, Children and People with Disabilities	The Presidency (still exists) Justice and Constitutional Development (still exists)

Savings

Given the shortfall in government revenue collection and the pressure on the available resources of the fiscus, this year's budget preparation has focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arise from effecting changes in public sector spending habits and instituting cost-cutting measures. Over the period ahead, government is to reform procurement systems, rationalise public entities and review a range of programmes – in order to accommodate increased spending on government's priorities in the attainment of its desired outcomes.

During the Budget process, judgements on value for money in achieving outcomes are made by examining funding requests in relation to the implementation plans and costings presented, among other considerations. There is extensive consultation with departments, agencies and intergovernmental forums before proposals are presented to the ministers' committee on the budget¹, approved by Cabinet and then tabled in Parliament.

National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

1. A committee of cabinet ministers tasked with considering budgetary issues before they are presented to Cabinet.

About R2.6 billion in savings has been identified over the three years at local government level. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

Major savings amounts over the medium term expenditure framework period are:

- Defence and Military Veterans: R4.5 billion (cancellation of the A400M military aircraft contract)
- Social Development: R1.2 billion (slower uptake of social grants than anticipated and rationalisation of the South African Social Security Agency payments system)
- International Relations and Cooperation: R1.5 billion (revision of foreign costs and deferral of the building of the Pan African Parliament)
- Correctional Services: R4.8 billion (rescheduling of prison building plans)
- Transport: R3.4 billion (deferral of public transport infrastructure projects where planning and design have been delayed).

Additional allocations

The revised national Budget framework provides for additional expenditure by departments of R20.7 billion in 2010/11, R26 billion in 2011/12 and R39.9 billion in 2012/13. Including the government savings of R25.6 billion identified across all spheres, in total an additional R112.2 billion is allocated to government institutions to fund government's key priorities over the next three years. Of the R112.2 billion, national departments receive R56.2 billion (50.1 per cent): R13.1 billion in 2010/11, R18.2 billion in 2011/12 and R24.8 billion in 2012/13. Provinces and municipalities receive the remainder. Conditional grants to provinces and municipalities are reflected in both national budgets and the budgets of provinces or municipalities.

A summary of additional funding by national vote is provided below. Information on direct charges against the National Revenue Fund and the amounts for the provincial and local equitable shares are excluded. Adjustments to provincial and local conditional grants have been included. Details are only noted for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The total amounts per vote in the discussion below represent the gross additional allocations, before the deduction of savings. This means that these total amounts are all bigger than the overall net change in the budget of a particular vote and therefore they do not balance to the amounts reflected in table 2. In the discussion that follows, these vote totals will be referred to as the *gross total allocation*, received over the MTEF period. In some instances, the savings on a specific vote exceed the *gross total allocation* to that vote and the overall net change in the budget is actually negative.

Central government and financial and administrative services

An amount of R448 million is the gross total allocation to **Parliament's** vote. This is mainly to enhance the capacity of the Office of the Speaker, including provision for the establishment of a budget office in terms of the Money Bills Amendment Procedure and Related Matters Act (2009). Also included is provision for increasing the capacity of the Parliamentary oversight committees.

National Treasury receives an addition of R1.1 billion for the neighbourhood development partnership grant for the regeneration of townships through the development of social and economic infrastructure. An amount of R1.5 billion is allocated in the first two years of the MTEF period for the recapitalisation of the Land Bank.

Social services

The gross total allocation to **Health** amounts to R8.8 billion, most of which is for transfers to the provinces. R8.4 billion is provided for the broadening of HIV and AIDS treatment programmes, in support of the rapid expansion of the antiretroviral treatment rollout. R50 million has been set aside for a mass immunisation campaign to combat measles and polio.

Social Development's gross total allocation is R12.5 billion, mainly this is for the extension of the child support grant up to 18 years of age, as a major intervention against child poverty.

Most of the gross total allocation of R3.1 billion to **Basic Education** is for transfers to provinces. An amount of R2.7 billion is allocated for the provision of workbooks in all official languages for grades R to 9, and R28 million is provided for national numeracy and literacy assessments for grades 3, 6 and 9. An additional R120 million is allocated for the national school nutrition programme.

A gross total allocation of R2.4 billion is set aside for **Higher Education and Training**, of which R1 billion is for subsidies for higher education institutions and R1.3 billion is a provincial conditional grant for further education and training colleges.

Justice, crime prevention and security

Police is allocated additional funding of R1.5 billion for an increase in police officers, the establishment of the Directorate for Priority Crime Investigation (the Hawks) and police station property management.

Gross total allocations to **Defence and Military Veterans** amount to R4.7 billion. R2.2 billion is for improving the South African National Defence Force remuneration system. R220 million is provided for expanding the military skills development system intake and R600 million for upgrading the *Landward Defence* programme.

Correctional Services is to receive gross total additional funding amounting to R2.8 billion. This covers the cost of the occupation specific salary dispensation for correctional officials and the impact of the general government employee wage increase.

Economic services and infrastructure

Human Settlements is to receive a R1 billion allocation for upgrading informal settlements and establishing community settlements. The rural household infrastructure grant is allocated R1.2 billion, specifically to support rural communities.

Funds for **Rural Development and Land Reform** are mostly for the rural development programme. An additional allocation of R860 million is for improving the quality of life within rural communities and broadening the base of agricultural production.

Energy receives a gross total allocation of R4.6 billion. R4.5 billion is to provide for part of the capital costs of building a pipeline for fuel from Durban to the Highveld. This allocation will be financed through the fuel levy imposed for this purpose.

Cooperative Governance and Traditional Affairs has a gross total allocation of R10.7 billion. The biggest vote allocation provides for an increase of R2.5 billion for the municipal infrastructure grant, to enable the further expansion of basic services infrastructure delivery aligned to government's 2014 universal access goals. R1.5 billion is allocated for the community work programme, within the expanded public works programme, which enables the non-governmental sector to assist government in providing guaranteed employment on a project basis.

A gross total allocation of R3.8 billion is set aside for **Trade and Industry**. Of this, R3.5 billion is shared equally by the clothing and textile sector and the automotive industry. A further R274 million is allocated for critical infrastructure and regulatory institutions such as the Competition Commission, the Companies and Intellectual Property Commission and other consumer orientated institutions.

Transport's R2.9 billion gross total addition includes funding for the secondary strategic road network, the Passenger Rail Agency of South Africa and the procurement of buses for the 2010 FIFA World Cup.

The main allocation of R500 million for the **Water Affairs** vote is for regional bulk infrastructure to roll out the basic services and water supply in support of human settlement development, in line with government's commitment to universal access by 2014. R498 million is also allocated for the working for water and working on fire programmes, within the expanded public works programme.

Overview of expenditure

The main Budget provides for total expenditure of R818.1 billion in 2010/11, increasing to R888.3 billion in 2011/12 and R964.3 billion in 2012/13. Non-interest expenditure comprises on average 90.1 per cent of total main Budget expenditure, and grows at an average annual rate of 7.6 per cent over the MTEF period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R6 billion in 2010/11, R12 billion in 2011/12 and R24 billion in 2012/13.

The allocations in the main Budget are detailed in the pages of this publication, with a consolidated account provided in the summary tables below.

Summary tables

Table 1: Main budget framework

Table 2: Additional allocation to national votes

Table 3: Expenditure by national vote

Table 4: Expenditure by economic classification

Table 5: Amounts to be appropriated from the National Revenue Fund

Table 6a: Conditional grants to provinces

Table 6b: Conditional grants to municipalities

Table 7: Training expenditure per vote

Table 8: Infrastructure expenditure per vote

Table 9: Personnel expenditure per vote

Table 10: Departmental receipts per vote

Table 1. Main budget framework 2006/07 to 2012/13

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue (National Revenue Fund)							
Tax revenue (gross)	495 548.6	572 814.6	625 100.2	590 425.0	647 850.0	721 477.0	818 298.0
Departmental and other receipts, and repayments	10 843.3	11 671.7	12 616.2	8 982.6	10 380.3	11 483.2	12 379.4
Less: Southern Africa Customs Union payments	-25 194.9	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-11 211.0	-22 781.0
Total revenue	481 197.0	559 773.8	608 795.7	571 492.1	643 239.0	721 749.2	807 896.4
<i>Percentage of GDP</i>	<i>26.2%</i>	<i>26.9%</i>	<i>26.2%</i>	<i>23.3%</i>	<i>23.8%</i>	<i>24.3%</i>	<i>24.5%</i>
Expenditure							
State debt cost	52 192.2	52 877.1	54 393.7	57 599.8	71 357.6	88 462.7	104 022.0
<i>Percentage of GDP</i>	<i>2.8%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>3.0%</i>	<i>3.2%</i>
Current payments ¹	77 911.5	88 599.8	103 563.2	119 215.8	130 938.5	141 636.6	148 890.9
Transfers and subsidies	332 685.1	391 023.5	458 352.8	530 553.1	579 667.8	634 811.7	674 058.0
Payments for capital assets ¹	6 067.8	7 182.9	8 780.8	8 687.9	9 290.5	10 676.6	13 342.9
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 760.0	20 888.6	750.0	-
Contingency reserve	-	-	-	-	6 000.0	12 000.0	24 000.0
Total expenditure	470 192.5	541 495.7	636 063.5	748 816.5	818 142.9	888 337.6	964 313.8
<i>Percentage of GDP</i>	<i>25.6%</i>	<i>26.0%</i>	<i>27.4%</i>	<i>30.6%</i>	<i>30.3%</i>	<i>29.9%</i>	<i>29.3%</i>
Budget deficit²	11 004.5	18 278.1	-27 267.7	-177 324.3	-174 904.0	-166 588.4	-156 417.4
<i>Percentage of GDP</i>	<i>0.6%</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-7.2%</i>	<i>-6.5%</i>	<i>-5.6%</i>	<i>-4.7%</i>
<i>GDP</i>	<i>1 833 191.0</i>	<i>2 081 626.0</i>	<i>2 320 117.0</i>	<i>2 449 857.9</i>	<i>2 699 888.0</i>	<i>2 967 560.3</i>	<i>3 295 748.7</i>

1. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

2. A positive number reflects a surplus and a negative number a deficit.

Table 2. Additional allocation to national votes 2010/11 to 2012/13¹

R million	Medium term expenditure estimates			Total
	2010/11	2011/12	2012/13	
Central Government Administration	1 882.8	3 072.3	7 510.5	12 465.6
1 The Presidency	85.6	106.5	117.1	309.1
2 Parliament	145.9	150.0	152.5	448.4
3 Cooperative Governance and Traditional Affairs	1 206.7	2 557.8	6 958.5	10 723.1
4 Home Affairs	224.0	80.7	87.3	392.1
5 International Relations and Cooperation	92.6	105.6	115.4	313.5
6 Public Works	97.1	35.5	38.5	171.1
7 Women, Children and People with Disabilities	31.0	36.1	41.2	108.3
Financial and Administrative Services	1 826.9	1 837.5	1 381.0	5 045.4
8 Government Communication and Information System	24.5	25.3	25.7	75.4
9 National Treasury	1 721.7	1 660.0	1 298.6	4 680.3
10 Public Enterprises	38.7	3.2	3.5	45.4
11 Public Service and Administration	10.2	11.9	12.9	35.0
12 Statistics South Africa	31.9	137.2	40.3	209.4
Social Services	5 143.8	8 479.1	13 507.1	27 130.0
13 Arts and Culture	15.3	18.1	19.4	52.8
14 Basic Education	800.8	1 052.5	1 278.0	3 131.3
15 Health	1 930.7	2 896.1	3 998.8	8 825.6
16 Higher Education and Training	421.1	761.3	1 249.0	2 431.4
17 Labour	59.2	49.1	51.9	160.3
18 Social Development	1 910.3	3 694.0	6 900.6	12 505.0
19 Sport and Recreation South Africa	6.3	7.9	9.3	23.6
Justice, Crime Prevention and Security	3 899.4	4 730.2	6 437.0	15 066.6
20 Correctional Services	883.1	919.4	952.8	2 755.3
21 Defence and Military Veterans	1 092.7	1 400.3	2 190.1	4 683.2
22 Independent Complaints Directorate	2.2	4.6	5.8	12.7
23 Justice and Constitutional Development	358.9	529.2	686.1	1 574.1
24 Police	1 562.5	1 876.7	2 602.1	6 041.3
Economic Services and Infrastructure	4 296.7	5 684.4	8 184.8	18 166.0
25 Agriculture, Forestry and Fisheries	57.2	195.8	310.8	563.8
26 Communications	5.1	5.9	6.4	17.4
27 Economic Development	115.0	160.0	175.0	450.0
28 Energy	1 528.8	1 544.4	1 546.8	4 620.0
29 Environmental Affairs	88.8	111.3	216.6	416.7
30 Human Settlements	242.9	360.5	1 761.3	2 364.7
31 Mineral Resources	20.3	33.2	43.0	96.5
32 Rural Development and Land Reform	301.2	348.1	352.1	1 001.4
33 Science and Technology	34.7	40.8	93.7	169.2
34 Tourism	47.7	63.3	74.9	185.9
35 Trade and Industry	905.6	1 294.0	1 638.8	3 838.3
36 Transport	495.8	1 081.6	1 359.3	2 936.7
37 Water Affairs	453.7	445.6	606.1	1 505.4
Total	17 049.6	23 803.6	37 020.3	77 873.6

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3. Expenditure by national vote 2006/07 to 2012/13

R million	Audited Outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Central Government Administration				
1 The Presidency	224.4	651.4	312.4	694.8
2 Parliament	755.1	902.1	1 135.1	1 108.0
3 Cooperative Governance and Traditional Affairs	24 571.6	30 026.2	35 343.2	36 683.5
4 Home Affairs	2 546.9	3 241.7	4 666.6	5 263.8
5 International Relations and Cooperation	2 944.7	4 069.7	5 472.3	5 553.0
6 Public Works	3 025.8	3 402.3	4 197.0	5 890.1
7 Women, Children and People with Disabilities	49.6	52.5	61.9	68.2
Financial and Administrative Services				
8 Government Communication and Information System	293.1	380.9	427.5	496.8
9 National Treasury	16 171.0	18 966.2	31 312.1	62 845.6
10 Public Enterprises	2 589.8	4 604.0	3 265.1	3 991.2
11 Public Service and Administration	583.7	609.6	630.6	682.8
12 Statistics South Africa	1 096.6	1 054.3	1 323.1	1 715.2
Social Services				
13 Arts and Culture	1 329.9	1 585.8	2 114.5	2 632.1
14 Basic Education	1 571.6	2 165.3	3 284.4	4 474.4
15 Health	11 338.0	12 762.7	15 464.5	18 423.5
16 Higher Education and Training	14 292.2	15 997.3	18 765.9	20 696.6
17 Labour	1 343.3	1 431.5	1 507.2	1 709.2
18 Social Development	61 676.1	67 191.4	76 096.7	86 508.2
19 Sport and Recreation South Africa	886.5	5 048.0	4 871.4	2 883.9
Justice, Crime Prevention and Security				
20 Correctional Services	9 251.2	11 122.4	12 822.6	13 834.5
21 Defence and Military Veterans	23 817.6	25 180.1	27 801.3	31 325.3
22 Independent Complaints Directorate	65.3	80.9	99.3	116.5
23 Justice and Constitutional Development	5 853.8	7 194.0	8 244.4	9 721.0
24 Police	32 634.9	36 525.9	41 635.2	47 622.0
Economic Services and Infrastructure				
25 Agriculture, Forestry and Fisheries	2 711.0	3 858.6	3 465.0	3 874.5
26 Communications	1 319.6	1 911.8	2 328.6	2 470.5
27 Economic Development	238.7	245.1	220.4	316.2
28 Energy	1 930.8	2 189.1	2 918.4	3 756.9
29 Environmental Affairs	1 164.2	1 654.1	1 882.7	2 244.2
30 Human Settlements	7 178.2	8 716.1	11 147.4	14 036.2
31 Mineral Resources	676.8	758.2	811.6	925.1
32 Rural Development and Land Reform	3 724.6	5 896.6	6 663.7	6 401.4
33 Science and Technology	2 613.0	3 127.3	3 703.5	4 261.7
34 Tourism	853.5	1 065.1	1 211.8	1 155.7
35 Trade and Industry	3 566.1	5 050.2	4 836.6	6 085.9
36 Transport	13 360.4	16 331.6	24 838.6	24 238.5
37 Water Affairs	3 851.9	4 802.9	5 795.3	7 342.6
Total appropriation by vote	262 101.6	309 853.1	370 678.0	442 049.4
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.2	2.3	4.0	4.3
Members remuneration (Parliament)	223.3	240.7	356.9	376.7
State debt costs (National Treasury)	52 192.2	52 877.1	54 393.7	59 995.0
Provincial equitable share (National Treasury)	149 245.6	171 053.7	201 795.6	236 877.8
General fuel levy sharing with metros (National Treasury)	-	-	-	6 800.1
Skills levy and Setas (Higher Education and Training)	5 328.4	6 284.3	7 234.1	7 750.0
Judges and magistrates salaries (Justice and Constitutional Development)	1 099.3	1 184.5	1 601.1	1 669.7
Total direct charges against the National Revenue Fund	208 090.9	231 642.6	265 385.4	313 473.5
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 3. Expenditure by national vote 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
				Central Government Administration
691.8	722.6	772.2	810.5	The Presidency
1 108.0	1 179.2	1 238.6	1 288.4	Parliament
36 629.6	43 921.5	50 449.1	57 238.3	Cooperative Governance and Traditional Affairs
5 159.4	5 719.6	5 003.5	5 144.8	Home Affairs
5 508.0	4 824.4	5 087.0	5 393.0	International Relations and Cooperation
5 740.1	6 446.3	7 984.1	8 246.2	Public Works
68.2	97.8	108.3	114.9	Women, Children and People with Disabilities
				Financial and Administrative Services
496.8	546.2	507.1	515.4	Government Communication and Information System
62 512.7	50 219.9	33 127.9	34 265.6	National Treasury
3 991.2	350.6	186.8	196.2	Public Enterprises
681.0	651.5	657.1	684.1	Public Service and Administration
1 715.2	1 973.4	2 845.9	1 769.6	Statistics South Africa
				Social Services
2 440.1	2 406.7	2 417.4	2 562.7	Arts and Culture
4 197.9	6 166.2	7 549.8	8 099.3	Basic Education
18 025.5	21 497.0	23 707.9	25 844.7	Health
20 681.8	23 720.7	26 104.6	27 856.1	Higher Education and Training
1 674.4	1 783.9	1 866.6	1 942.5	Labour
86 108.2	95 929.1	105 715.4	114 023.7	Social Development
2 872.4	1 245.6	760.5	793.7	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
13 834.5	15 129.0	16 027.4	18 277.2	Correctional Services
30 325.3	30 715.3	33 931.4	36 386.5	Defence and Military Veterans
116.5	129.3	144.1	152.4	Independent Complaints Directorate
9 673.3	10 250.5	11 083.7	11 730.6	Justice and Constitutional Development
47 622.0	52 556.4	56 916.6	60 390.8	Police
				Economic Services and Infrastructure
3 305.5	3 658.0	4 361.4	4 740.5	Agriculture, Forestry and Fisheries
2 354.5	2 114.0	1 814.1	1 630.4	Communications
316.2	418.6	494.4	520.3	Economic Development
3 740.2	5 535.4	5 739.6	5 538.7	Energy
2 244.2	2 607.8	2 817.5	3 058.7	Environmental Affairs
14 036.2	16 201.5	18 483.0	19 603.8	Human Settlements
924.0	1 030.0	1 112.1	1 168.0	Mineral Resources
6 401.4	6 769.6	7 972.9	8 360.1	Rural Development and Land Reform
4 261.7	4 615.5	4 968.8	4 560.2	Science and Technology
1 155.7	1 151.8	1 223.2	1 291.2	Tourism
5 988.8	6 150.1	6 757.4	7 264.0	Trade and Industry
24 164.1	25 086.3	27 960.1	29 169.5	Transport
6 969.8	7 996.6	9 090.2	9 628.2	Water Affairs
437 736.1	461 517.9	486 987.8	520 261.0	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.3	4.6	4.8	5.1	President and Deputy President salary (The Presidency)
376.7	392.7	409.6	430.1	Members remuneration (Parliament)
57 599.8	71 357.6	88 462.7	104 022.0	State debt costs (National Treasury)
236 877.8	260 973.7	280 688.7	294 780.0	Provincial equitable share (National Treasury)
6 800.1	7 542.4	8 531.1	8 957.7	General fuel levy sharing with metros (National Treasury)
7 750.0	8 424.2	9 148.7	9 606.1	Skills levy and Setas (Higher Education and Training)
1 671.7	1 929.9	2 104.2	2 251.9	Judges and magistrates salaries (Justice and Constitutional Development)
311 080.3	350 625.0	389 349.8	420 052.9	Total direct charges against the National Revenue Fund
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 4. Expenditure by economic classification 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Current payments				
Compensation of employees	49 574.2	56 243.2	64 973.4	76 392.8
Salaries and wages	41 022.9	46 738.9	53 788.3	63 755.1
Social contributions	8 551.3	9 504.3	11 185.1	12 637.7
Goods and services	28 335.8	32 354.3	38 587.4	44 065.4
Interest and rent on land	52 193.7	52 879.3	54 396.1	59 995.8
Interest (including interest on finance leases)	52 193.0	52 878.6	54 395.9	59 995.0
Rent on land	0.7	0.7	0.2	0.8
Total current payments	130 103.7	141 476.8	157 956.9	180 454.0
Transfers and subsidies to:				
Provinces and municipalities	205 438.3	243 233.9	289 397.3	345 879.0
Provinces	178 867.2	205 829.6	245 302.3	295 353.2
Provincial revenue funds	178 867.2	205 829.6	245 302.3	295 353.2
Municipalities	26 571.1	37 404.3	44 095.1	50 525.8
Municipal bank accounts	26 571.1	37 404.3	44 095.1	50 525.8
Departmental agencies and accounts	38 102.1	44 531.2	53 572.4	58 512.9
Social security funds	7.0	8.5	2 508.7	12.7
Departmental agencies (non-business entities)	38 095.0	44 522.7	51 063.6	58 500.3
Universities and technikons	11 056.0	12 003.8	13 897.7	15 437.4
Foreign governments and international organisations	919.3	936.0	1 010.6	1 266.8
Public corporations and private enterprises	13 424.4	18 764.3	20 170.1	20 061.4
Public corporations	9 872.3	14 155.2	14 694.3	17 851.2
Subsidies on products or production	4 101.1	3 691.7	4 676.1	5 188.9
Other transfers to public corporations	5 771.2	10 463.5	10 018.2	12 662.3
Private enterprises	3 552.1	4 609.0	5 475.8	2 210.2
Subsidies on products or production	3 339.6	4 111.4	5 193.5	1 855.1
Other transfers to private enterprises	212.5	497.6	282.3	355.1
Non-profit institutions	882.1	1 002.8	1 220.2	1 225.3
Households	62 862.9	70 551.4	79 084.5	91 029.5
Social benefits	59 569.1	65 170.5	73 611.2	85 989.9
Other transfers to households	3 293.8	5 381.0	5 473.3	5 039.6
Total transfers and subsidies	332 685.1	391 023.5	458 352.8	533 412.3
Payments for capital assets				
Buildings and other fixed structures	2 481.5	3 838.2	5 566.8	5 961.3
Buildings	2 376.9	3 325.7	4 893.8	4 843.3
Other fixed structures	104.6	512.5	673.0	1 118.0
Machinery and equipment	3 322.8	3 210.7	2 965.0	2 741.0
Transport equipment	1 522.3	1 528.0	1 419.6	1 467.8
Other machinery and equipment	1 800.5	1 682.7	1 545.4	1 273.1
Specialised military assets	-	-	-	27.6
Biological assets	0.7	11.2	2.7	1.1
Land and subsoil assets	31.5	27.4	49.0	-
Software and other intangible assets	231.4	95.5	197.4	167.4
Total payments for capital assets	6 067.8	7 182.9	8 780.8	8 898.3
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 758.3
Total	470 192.5	541 495.7	636 063.5	755 522.9
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 4. Expenditure by economic classification 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
76 008.7	84 093.2	90 167.3	95 232.5	Current payments
				Compensation of employees
63 383.4	69 171.6	74 337.1	78 539.2	Salaries and wages
12 625.3	14 921.6	15 830.2	16 693.2	Social contributions
43 205.8	46 843.3	51 466.9	53 656.0	Goods and services
57 601.0	71 359.6	88 465.0	104 024.5	Interest and rent on land
57 600.2	71 358.7	88 464.1	104 023.5	Interest (including interest on finance leases)
0.8	0.8	0.9	1.0	Rent on land
176 815.6	202 296.0	230 099.3	252 913.0	Total current payments
				Transfers and subsidies to:
				Provinces and municipalities
345 167.9	381 726.9	417 237.3	442 587.4	Provinces
294 968.2	322 858.2	350 547.1	369 348.4	Provincial revenue funds
294 968.2	322 858.2	350 547.1	369 348.4	
50 199.7	58 868.7	66 690.2	73 239.0	Municipalities
50 199.7	58 868.7	66 690.2	73 239.0	Municipal bank accounts
57 114.3	58 456.5	65 123.0	68 388.7	Departmental agencies and accounts
12.7	11.6	12.4	13.0	Social security funds
57 101.6	58 445.0	65 110.6	68 375.7	Departmental agencies (non-business entities)
15 437.4	17 532.0	19 318.5	20 669.2	Universities and technikons
1 260.9	1 313.9	1 288.8	1 380.3	Foreign governments and international organisations
19 725.2	20 129.1	20 700.1	21 489.8	Public corporations and private enterprises
17 555.0	16 988.4	17 034.7	17 355.7	Public corporations
5 198.9	5 180.8	5 262.0	5 499.9	Subsidies on products or production
12 356.1	11 807.6	11 772.7	11 855.7	Other transfers to public corporations
2 170.1	3 140.7	3 665.4	4 134.1	Private enterprises
1 795.1	2 778.8	3 255.0	3 629.1	Subsidies on products or production
375.1	362.0	410.3	505.0	Other transfers to private enterprises
1 225.1	2 275.2	2 339.0	1 894.0	Non-profit institutions
90 622.4	98 234.2	108 805.0	117 648.6	Households
85 620.3	92 792.8	102 213.6	110 636.4	Social benefits
5 002.1	5 441.4	6 591.5	7 012.1	Other transfers to households
530 553.1	579 667.8	634 811.7	674 058.0	Total transfers and subsidies
				Payments for capital assets
5 862.9	5 994.9	7 237.3	9 660.6	Buildings and other fixed structures
4 743.8	4 537.4	4 836.4	6 935.7	Buildings
1 119.2	1 457.5	2 400.9	2 725.0	Other fixed structures
2 735.2	3 236.9	3 381.4	3 525.6	Machinery and equipment
1 467.8	1 352.7	1 474.3	1 690.0	Transport equipment
1 267.4	1 884.2	1 907.2	1 835.6	Other machinery and equipment
27.6	19.6	24.5	122.0	Specialised military assets
1.1	1.6	0.7	0.7	Biological assets
–	–	–	–	Land and subsoil assets
61.0	37.5	32.7	33.8	Software and other intangible assets
8 687.9	9 290.5	10 676.6	13 342.9	Total payments for capital assets
32 760.0	20 888.6	750.0	0.0	Payments for financial assets
748 816.5	812 142.9	876 337.6	940 313.8	Total
–	6 000.0	12 000.0	24 000.0	Contingency reserve
–	–	–	–	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 5. Amounts to be appropriated from the National Revenue Fund for 2010/11

	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease ¹	
R million	2009/10	2010/11						
Central Government Administration								
1	The Presidency	609.6	343.0	371.9	12.2	–	727.2	117.6
2	Parliament	1 350.7	1 275.4	284.8	11.7	–	1 571.9	221.2
3	Cooperative Governance and Traditional Affairs	35 604.4	619.7	43 288.5	13.3	–	43 921.5	8 317.0
4	Home Affairs	5 050.6	3 992.4	1 587.8	139.3	–	5 719.6	669.0
5	International Relations and Cooperation	5 337.0	3 688.6	820.2	315.7	–	4 824.4	-512.6
6	Public Works	5 298.0	2 042.8	3 029.6	1 373.9	–	6 446.3	1 148.3
7	Women, Children and People with Disabilities	64.0	39.3	51.9	6.6	–	97.8	33.8
Financial and Administrative Services								
8	Government Communication and Information System	482.0	355.5	187.4	3.4	–	546.2	64.2
9	National Treasury	354 795.2	72 806.9	296 522.2	14.5	20 750.0	390 093.6	35 298.4
10	Public Enterprises	3 797.3	174.7	36.7	0.6	138.6	350.6	-3 446.8
11	Public Service and Administration	596.3	376.9	271.6	2.9	–	651.5	55.2
12	Statistics South Africa	1 608.6	1 871.5	3.8	98.1	–	1 973.4	364.8
Social Services								
13	Arts and Culture	2 623.5	311.1	2 089.1	6.6	–	2 406.7	-216.7
14	Basic Education	3 929.9	1 777.1	4 385.1	4.1	–	6 166.2	2 236.3
15	Health	17 058.1	1 063.0	20 403.3	30.7	–	21 497.0	4 438.9
16	Higher Education and Training	25 259.6	382.4	31 752.7	9.8	–	32 144.9	6 885.3
17	Labour	1 671.0	1 259.9	515.2	8.8	–	1 783.9	112.9
18	Social Development	86 408.3	543.0	95 376.0	10.1	–	95 929.1	9 520.7
19	Sport and Recreation South Africa	2 859.9	192.9	1 047.6	5.1	–	1 245.6	-1 614.3
Justice, Crime Prevention and Security								
20	Correctional Services	13 238.6	14 007.7	13.1	1 108.3	–	15 129.0	1 890.5
21	Defence and Military Veterans	32 024.4	23 099.0	6 830.1	786.2	–	30 715.3	-1 309.1
22	Independent Complaints Directorate	114.9	126.0	0.1	3.3	–	129.3	14.5
23	Justice and Constitutional Development	11 278.6	9 984.8	1 567.9	627.7	–	12 180.4	901.8
24	Police	46 409.7	49 336.4	438.4	2 781.7	–	52 556.4	6 146.7
Economic Services and Infrastructure								
25	Agriculture, Forestry and Fisheries	2 903.5	1 773.5	1 836.5	47.9	–	3 658.0	754.5
26	Communications	2 266.9	483.2	1 626.7	4.1	–	2 114.0	-152.9
27	Economic Development	292.5	95.2	318.6	4.8	–	418.6	126.1
28	Energy	3 742.3	202.1	5 328.7	4.6	–	5 535.4	1 793.1
29	Environmental Affairs	2 261.0	910.2	1 224.3	473.3	–	2 607.8	346.8
30	Human Settlements	14 020.0	599.5	15 442.8	159.3	–	16 201.5	2 181.5
31	Mineral Resources	904.9	607.3	408.7	14.1	–	1 030.0	125.1
32	Rural Development and Land Reform	6 109.4	1 878.1	4 871.6	19.8	–	6 769.6	660.2
33	Science and Technology	4 234.1	362.0	4 249.5	4.1	–	4 615.5	381.4
34	Tourism	1 109.1	196.1	953.3	2.4	–	1 151.8	42.8
35	Trade and Industry	6 051.7	1 142.9	4 992.6	14.7	–	6 150.1	98.4
36	Transport	23 734.8	743.4	24 301.3	41.6	–	25 086.3	1 351.4
37	Water Affairs	7 462.4	3 632.8	3 238.5	1 125.3	–	7 996.6	534.2
Total	732 562.8	202 296.0	579 667.8	9 290.5	20 888.6	812 142.9	79 580.2	

1. A positive number reflects an increase and a negative number a decrease.

Table 6a. Conditional grants to provinces 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	–	–	29.7	–	–	–	–	
6	Public Works	710.1	836.6	889.3	1 501.2	1 401.2	1 483.8	1 962.0	2 060.1
Financial and Administrative Services									
9	National Treasury	4 983.5	6 276.2	7 384.5	13 449.2	13 449.2	11 314.9	13 091.2	14 007.6
Social Services									
13	Arts and Culture	–	163.2	344.6	440.6	440.6	512.7	543.4	570.8
14	Basic Education	1 242.5	1 376.9	2 114.1	2 575.4	2 575.4	3 931.4	5 048.1	5 447.4
15	Health	10 206.5	11 552.7	14 028.7	16 702.5	16 417.5	19 852.8	21 971.8	24 030.4
16	Higher Education and Training	1 973.7	2 435.3	3 005.8	3 168.3	3 168.3	3 772.7	3 972.0	4 169.1
19	Sport and Recreation South Africa	119.0	194.0	293.7	402.3	402.3	426.4	452.0	474.6
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	401.1	761.7	898.0	973.7	973.7	1 116.9	1 437.1	1 508.9
30	Human Settlements	6 677.8	8 149.9	10 177.9	12 592.3	12 592.3	15 160.6	17 222.4	17 938.7
32	Rural Development and Land Reform	8.0	–	–	–	–	–	–	–
35	Trade and Industry	58.2	–	–	–	–	–	–	–
36	Transport	3 241.0	3 029.4	4 340.3	6 669.9	6 669.9	4 312.4	4 158.5	4 360.9
Total		29 621.6	34 775.9	43 506.6	58 475.4	58 090.4	61 884.5	69 858.4	74 568.4

1. Detail provided in the Division of Revenue Act (2010).

Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	6 138.4	8 954.1	9 308.4	11 633.5	11 633.5	12 740.9	15 293.3	18 557.9
6	Public Works	–	–	–	201.7	201.7	623.0	1 108.0	1 163.4
Financial and Administrative Services									
9	National Treasury	410.3	716.5	361.5	851.4	611.4	1 394.6	1 575.1	1 586.3
Social Services									
19	Sport and Recreation South Africa	600.0	4 605.0	4 295.0	2 168.7	2 168.7	512.6	–	–
Economic Services and Infrastructure									
28	Energy	390.7	462.5	589.1	1 108.0	1 092.2	1 240.1	1 376.6	1 151.4
36	Transport	518.0	1 174.0	2 928.7	2 428.0	2 428.0	3 709.9	4 436.1	4 136.7
37	Water Affairs	385.7	732.9	994.6	925.0	854.6	890.1	380.0	399.0
Total		8 443.1	16 645.0	18 477.3	19 316.2	18 990.1	21 111.1	24 169.1	26 994.8

1. Detail provided in the Division of Revenue Act (2010).

Table 7. Training expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
Central Government Administration								
1	The Presidency	1.5	2.3	1.4	1.9	2.2	2.4	2.6
2	Parliament	10.7	10.6	11.9	10.1	10.4	14.2	15.0
3	Cooperative Governance and Traditional Affairs	1.7	2.3	1.7	1.8	2.4	2.6	2.7
4	Home Affairs	35.6	32.4	34.0	35.1	30.9	28.2	28.5
5	International Relations and Cooperation	4.0	13.1	8.1	12.4	14.4	14.1	14.1
6	Public Works	12.8	15.2	22.0	26.1	27.5	28.5	29.9
Financial and Administrative Services								
8	Government Communication and Information System	2.4	4.7	4.2	3.7	4.4	4.2	4.4
9	National Treasury	9.3	16.1	16.9	33.6	19.8	20.4	21.2
10	Public Enterprises	0.8	1.6	1.7	2.2	1.9	2.0	2.0
11	Public Service and Administration	2.0	2.2	3.7	2.6	3.6	3.5	3.7
12	Statistics South Africa	7.7	11.9	14.0	21.2	45.1	42.1	40.0
Social Services								
13	Arts and Culture	2.4	3.1	4.5	2.1	2.3	2.4	2.5
14	Basic Education	1.6	2.8	6.5	1.7	2.5	2.4	2.5
15	Health	5.5	9.5	1.8	4.5	5.5	6.1	6.6
16	Higher Education and Training	1.8	2.5	2.9	1.9	2.6	2.8	2.9
17	Labour	8.9	6.5	8.9	8.3	8.9	9.3	9.8
18	Social Development	2.2	1.7	1.8	2.3	2.5	2.6	2.8
19	Sport and Recreation South Africa	0.5	0.9	0.9	1.1	1.1	1.1	1.1
Justice, Crime Prevention and Security								
20	Correctional Services	111.4	125.6	76.0	89.5	64.0	100.5	105.6
21	Defence and Military Veterans	85.6	87.4	117.7	113.6	145.6	151.0	167.0
22	Independent Complaints Directorate	0.5	0.6	0.6	0.7	0.7	0.8	0.8
23	Justice and Constitutional Development	12.4	18.3	37.5	86.4	78.9	83.6	89.4
24	Police	807.5	966.0	1 124.0	1 006.5	1 386.6	1 449.0	1 514.2
Economic Services and Infrastructure								
25	Agriculture, Forestry and Fisheries	27.3	20.3	24.2	16.4	20.0	21.8	23.3
26	Communications	3.1	3.7	6.0	9.0	9.4	9.9	10.4
27	Economic Development	-	-	-	-	0.1	0.2	0.2
28	Energy	0.6	0.7	1.6	2.1	3.5	3.9	4.1
29	Environmental Affairs	2.3	2.1	2.2	2.3	2.5	2.7	2.9
30	Human Settlements	2.0	1.2	2.9	12.9	14.1	15.2	16.1
31	Mineral Resources	1.5	1.7	3.8	9.1	3.5	3.9	4.1
32	Rural Development and Land Reform	11.6	9.0	9.4	11.9	12.6	13.3	13.9
33	Science and Technology	1.0	3.6	5.2	6.5	5.1	5.4	5.6
34	Tourism	1.5	1.4	1.5	1.0	1.0	1.0	1.1
35	Trade and Industry	3.2	1.0	2.5	9.3	11.0	11.5	12.0
36	Transport	3.0	3.2	1.8	3.9	4.0	4.0	4.1
37	Water Affairs	37.0	38.9	40.8	63.1	65.7	67.3	70.7
Total		1 223.1	1 424.2	1 604.9	1 616.8	2 016.3	2 133.7	2 237.8

Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Government Administration							
2 Parliament	–	5.1	40.5	–	–	–	–
3 Cooperative Governance and Traditional Affairs	6 138.4	8 754.1	9 138.1	11 433.5	12 528.9	15 068.6	18 322.0
4 Home Affairs	45.1	61.4	68.0	56.1	67.2	132.5	129.8
5 International Relations and Cooperation	119.4	649.9	926.7	423.2	231.5	249.8	317.0
6 Public Works	414.1	488.0	988.4	1 220.6	1 303.9	1 603.9	1 634.7
Financial and Administrative Services							
9 National Treasury	5 035.7	6 327.3	7 768.0	9 910.6	12 569.9	14 486.6	15 405.0
Social Services							
13 Arts and Culture	312.1	281.2	448.6	801.4	557.8	455.6	483.0
14 Basic Education	–	–	–	–	80.0	200.0	210.0
15 Health	1 498.7	2 118.5	1 884.8	3 495.2	3 939.6	3 789.7	3 805.0
16 Higher Education and Training	90.5	77.5	54.8	37.0	32.0	26.0	22.0
17 Labour	78.5	64.4	37.6	56.8	25.9	34.6	0.0
19 Sport and Recreation South Africa	600.0	4 605.0	4 295.0	1 661.1	302.3	–	–
Justice, Crime Prevention and Security							
20 Correctional Services	794.8	1 087.0	1 035.5	1 012.5	1 108.3	1 163.1	2 675.6
21 Defence and Military Veterans	49.2	93.4	476.5	452.0	1 120.7	841.1	1 218.3
23 Justice and Constitutional Development	323.7	361.1	479.5	515.5	631.5	759.4	865.0
24 Police	510.5	727.0	843.3	1 049.7	1 118.2	1 235.3	1 544.6
Economic Services and Infrastructure							
25 Agriculture, Forestry and Fisheries	120.0	112.0	108.6	115.0	172.9	270.8	253.5
26 Communications	100.0	646.0	950.0	810.0	420.9	279.0	167.0
28 Energy	1 328.9	1 525.6	1 888.8	2 400.3	4 271.9	4 366.4	4 565.5
29 Environmental Affairs	199.8	405.7	437.4	512.3	656.7	664.8	693.0
30 Human Settlements	–	3 829.9	1 885.1	1 674.3	2 014.8	2 248.4	2 341.9
32 Rural Development and Land Reform	14.4	5.6	6.3	11.8	17.4	18.3	44.7
33 Science and Technology	175.0	272.0	408.0	699.3	745.7	801.0	254.4
35 Trade and Industry	468.0	911.0	967.5	1 283.3	769.9	721.4	758.6
36 Transport	5 801.6	7 934.8	10 601.2	12 799.8	14 131.7	16 038.7	16 542.4
37 Water Affairs	85.9	644.4	1 467.1	1 976.8	2 279.9	3 358.1	3 805.1
Total	24 304.4	41 988.0	47 205.2	54 408.3	61 099.7	68 813.1	76 057.9

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9. Personnel expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	100.5	118.7	144.3	187.4	184.4	218.1	242.4	258.2
2	Parliament	446.6	521.0	708.6	780.1	780.1	856.1	905.7	951.2
3	Cooperative Governance and Traditional Affairs	116.2	128.1	153.8	172.3	164.8	241.9	255.3	268.1
4	Home Affairs	844.7	1 087.0	1 296.0	1 659.1	1 659.1	1 896.2	2 134.8	2 243.7
5	International Relations and Cooperation	1 136.5	1 293.2	1 683.4	2 062.6	2 062.6	2 017.1	2 101.4	2 203.1
6	Public Works	613.6	746.4	916.6	1 012.2	1 012.2	1 121.4	1 201.7	1 249.6
7	Women, Children and People with Disabilities	3.8	4.8	5.9	10.0	10.0	15.7	27.5	29.9
Financial and Administrative Services									
8	Government Communication and Information System	84.1	116.2	114.0	137.1	136.9	147.0	157.5	166.3
9	National Treasury	230.9	272.7	321.0	438.5	408.5	538.5	573.0	598.6
10	Public Enterprises	47.2	56.0	70.4	81.4	81.4	88.0	93.5	98.3
11	Public Service and Administration	92.5	115.8	129.1	153.4	153.4	174.4	183.4	193.4
12	Statistics South Africa	414.9	472.0	700.7	1 015.8	1 015.8	891.0	1 065.1	992.5
Social Services									
13	Arts and Culture	95.1	107.2	126.8	146.3	141.3	149.0	159.4	168.7
14	Basic Education	117.0	150.4	186.3	229.9	251.4	255.4	273.8	288.1
15	Health	231.7	258.6	292.5	329.1	329.1	369.7	403.4	442.4
16	Higher Education and Training	131.7	146.2	174.8	203.3	203.6	228.9	245.8	261.1
17	Labour	435.4	497.9	491.3	632.6	611.2	738.4	760.6	811.4
18	Social Development	111.1	133.6	184.1	225.4	225.4	245.1	260.6	277.7
19	Sport and Recreation South Africa	30.1	43.4	54.5	67.6	59.6	75.3	73.7	77.4
Justice, Crime Prevention and Security									
20	Correctional Services	5 606.6	6 799.2	8 077.8	9 313.0	9 313.0	10 483.8	11 058.5	11 611.2
21	Defence and Military Veterans	9 037.6	9 735.9	10 620.0	12 223.2	12 223.2	13 450.4	14 630.1	15 686.9
22	Independent Complaints Directorate	36.8	45.7	58.0	66.5	66.5	74.1	85.5	90.4
23	Justice and Constitutional Development	3 619.7	4 250.9	5 326.2	6 277.1	6 233.7	6 834.7	7 375.3	7 846.8
24	Police	22 730.2	25 610.6	29 147.4	33 770.2	33 770.2	37 148.8	39 660.3	41 777.4
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	717.4	778.8	908.8	1 138.5	938.5	1 144.2	1 244.2	1 380.2
26	Communications	99.0	97.7	108.0	147.4	147.4	160.4	169.2	177.9
27	Economic Development	-	-	-	12.6	12.6	59.5	78.0	89.8
28	Energy	49.7	68.2	84.6	113.1	112.1	133.0	140.4	142.8
29	Environmental Affairs	156.7	196.3	212.3	260.3	260.3	324.9	351.5	368.9
30	Human Settlements	81.4	107.3	136.9	217.4	217.4	290.2	313.4	328.9
31	Mineral Resources	196.4	222.3	245.5	287.6	287.0	352.3	392.1	414.7
32	Rural Development and Land Reform	406.0	476.4	614.2	954.8	954.8	1 072.2	1 141.5	1 199.8
33	Science and Technology	83.7	104.1	144.9	200.2	200.2	215.0	227.3	239.1
34	Tourism	102.8	130.8	106.4	89.6	89.6	98.5	112.1	160.6
35	Trade and Industry	283.6	327.5	383.1	513.0	469.0	557.8	590.4	628.5
36	Transport	111.2	131.3	182.6	221.0	221.0	259.4	282.2	296.6
37	Water Affairs	972.0	890.7	862.5	1 043.1	1 001.4	1 166.5	1 196.7	1 212.4
Total		49 574.2	56 243.2	64 973.4	76 392.8	76 008.7	84 093.2	90 167.3	95 232.5

Table 10. Departmental receipts per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	1.7	0.3	0.2	0.5	0.5	0.3	0.3	0.3
2	Parliament	41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
3	Cooperative Governance and Traditional Affairs	6.8	0.7	0.8	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	468.2	421.1	355.7	429.5	429.5	455.3	482.6	506.7
5	International Relations and Cooperation	46.3	65.1	43.6	39.2	18.4	31.2	33.3	33.2
6	Public Works	79.9	95.8	28.5	25.6	31.5	26.6	27.7	29.4
Financial and Administrative Services									
8	Government Communication and Information System	3.1	3.1	3.3	2.9	2.9	3.0	3.0	3.0
9	National Treasury	4 355.1	6 116.7	5 270.4	4 148.5	3 839.0	2 354.2	2 544.8	2 602.9
10	Public Enterprises	0.1	0.1	0.8	0.1	0.1	0.1	0.1	0.1
11	Public Service and Administration	1.8	2.7	1.0	0.9	0.9	0.7	0.7	0.7
12	Statistics South Africa	1.5	17.7	2.8	6.9	6.9	2.2	2.5	2.6
Social Services									
13	Arts and Culture	3.2	0.4	3.6	1.0	1.0	0.6	0.6	0.7
14	Basic Education	0.6	1.9	1.5	0.9	0.9	1.1	1.2	1.2
15	Health	33.3	41.2	31.2	33.7	33.7	31.5	32.8	32.9
16	Higher Education and Training	6.2	6.9	6.7	6.5	6.6	6.9	7.0	7.0
17	Labour	6.1	8.4	28.9	12.9	12.9	16.1	22.4	24.3
18	Social Development	865.3	237.0	16.5	0.2	20.2	510.2	10.2	10.2
19	Sport and Recreation South Africa	5.6	0.0	0.3	0.6	5.7	0.3	0.4	0.4
Justice, Crime Prevention and Security									
20	Correctional Services	100.0	136.3	80.5	131.2	136.7	143.4	152.0	161.0
21	Defence and Military Veterans	492.8	551.9	629.4	676.7	676.7	702.5	729.2	756.9
22	Independent Complaints Directorate	0.0	0.4	0.1	0.1	0.1	0.1	0.1	0.1
23	Justice and Constitutional Development	319.5	317.0	356.8	358.9	358.9	377.6	399.8	422.5
24	Police	251.9	345.1	376.5	332.6	332.6	341.7	321.3	324.5
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	141.1	121.1	254.0	219.7	216.7	119.3	121.5	118.2
26	Communications	2 613.8	3 007.4	3 520.1	933.0	1 160.8	925.0	959.4	993.4
27	Economic Development	177.5	229.3	244.4	484.8	420.0	230.0	243.8	250.0
28	Energy	0.1	1.2	3.3	3.5	3.5	3.7	3.9	4.1
29	Environmental Affairs	4.9	4.7	8.5	2.7	2.7	0.8	0.8	0.8
30	Human Settlements	1.9	0.7	2.4	0.5	2.8	0.5	0.5	0.6
31	Mineral Resources	191.0	267.1	261.3	161.8	161.8	205.6	211.8	213.9
32	Rural Development and Land Reform	158.8	176.4	64.2	231.2	61.1	68.4	69.0	64.5
33	Science and Technology	1.0	0.2	0.3	1.0	1.0	0.1	0.1	0.1
35	Trade and Industry	66.6	94.2	64.9	66.7	67.0	108.3	114.9	120.2
36	Transport	330.4	362.5	215.8	231.7	116.6	127.8	137.4	144.3
37	Water Affairs	137.2	0.1	26.6	72.6	39.8	41.2	44.0	44.0
Total departmental receipts as per Estimates of National Expenditure		10 915.2	12 686.3	11 960.0	8 635.5	8 188.0	6 852.2	6 691.4	6 887.0
Less: Parliament (retained departmental receipts)		41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
Plus: South African Revenue Service departmental receipts collection		-30.0	58.0	711.4	1 205.8	812.4	3 543.6	4 803.7	5 503.9
Total departmental receipts as per Budget Review		10 843.3	12 692.6	12 616.2	9 825.0	8 982.6	10 380.3	11 483.2	12 379.4

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the appropriation bill, which is tabled on the same day.

The appropriation bill is divided into votes. A vote generally specifies the total amount appropriated per department. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the appropriation bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions.

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the MTEF period.

R million	2010/11					2011/12	2012/13
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2010/11 total to be appropriated** shows the expenditure allocation for 2010/11 and corresponds with the information in the 2010 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by the department for its operational requirements.

Transfers and subsidies are payments made by the department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in departments where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2011/12** and **2012/13**, are also shown. These estimates are not included in the 2010 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The last lines of the table provide accountability information: the department's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or its administrative functions, and corresponds with the aim stated in the appropriation bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the appropriation bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2006/07 – 2012/13

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments and legislative changes as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effective service delivery

In this section, departments discuss details of the cost savings measures and reprioritisation of budgets effected in the 2009/10 financial year and to be effected over the MTEF period ahead.

Savings typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2009 Budget estimate								

Economic classification

Current payments			
Economic classification item			
Economic classification item			
Transfers and subsidies			
Economic classification item			
Economic classification item			
Payments for capital assets			
Economic classification item			
Economic classification item			
Payments for financial assets			
Total			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years. The president's appointment of ministers and deputy ministers after the 2009 general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. As a result, functions may have shifted between departments as a whole or in part, and new functions may have been defined.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes the changes made to the appropriation voted in the 2009 main Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments are included in the adjustments appropriation bill, which Parliament approves before expenditure can take place, and the details are published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2009/10 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2009/10 adjusted appropriation; it is merely a more recent estimate of what the department will indeed spend.

The **medium-term expenditure estimates** are shown for 2010/11, 2011/12 and 2012/13. The spending figures for 2010/11 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main appropriation bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2011/12 and 2012/13 are indicative allocations, and will form the basis for planning the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2006/07 to 2012/13 are described. Trends are generally represented over the MTEF period between 2009/10 and 2012/13, or over the entire period between 2006/07 and 2012/13.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies and service delivery objectives that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates. Expenditure on existing and new infrastructure is discussed.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Departmental receipts

Departmental (non-tax) receipts for 2009/10 are described, as well as the anticipated receipts for the MTEF period.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes of the subprogrammes that form that programme. The details of functions performed within subprogrammes and the principle for distributing funds across spending areas within subprogrammes are also described.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve service to eligible citizens and residents (objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2008/09 to 5 days in 2011/12 (progress measure).

Service delivery focus

Information is provided on recent achievements for each programme, including service delivery and operational achievements for the previous year and for the current financial year to date. Reports are given relative to the targets that were presented in previous Estimates of National Expenditure and Adjusted Estimates of National Expenditure publications.

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2009 Budget estimate							

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

Where appropriate, the discussion of an entity is linked to a specific vote programme and is shown directly after the discussion of that programme.

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key objectives achieved during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and if applicable an analysis of some of the more important items on the entity's balance sheet
- reprioritisation and savings measures implemented.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure as well as the audited outcome and revised estimate for 2008/09 and 2009/10 respectively.

Summary of personnel numbers and compensation of employees

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on different categories of employees.

The **unit cost** refers to the average cost per person employed by the department. It is calculated by dividing the compensation figure by the personnel numbers.

Personnel numbers refers to the physical number (head count) of people employed by the department.

Details of establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the number of posts in the department at different salary levels **per programme** as at 30 September 2009.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

Unitary fee refers to the total payment made to the private party for the provision of all types of services.

A **signed** project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Project monitoring costs are associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Revenue generated is shown in cases where public private partnership projects have revenue generating potential such as tourism projects or toll roads.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government components for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance on infrastructure refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all tables a dash (-) indicates that information is unavailable or zero.

International Relations and Cooperation

**National Treasury
Republic of South Africa**



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Vote 5

International Relations and Cooperation

Budget summary

R thousand	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	1 020 011	777 241	–	242 770	1 080 192	1 141 764
International Relations and Cooperation	2 786 823	2 714 272	13 115	59 436	2 849 321	3 042 296
Public Diplomacy and Protocol Services	232 867	197 081	22 316	13 470	230 385	243 385
International Transfers	784 725	–	784 725	–	927 111	965 570
Total expenditure estimates	4 824 426	3 688 594	820 156	315 676	5 087 009	5 393 015

Executive authority

Minister of International Relations and Cooperation

Accounting officer

Director-General of International Relations and Cooperation

Website address

www.dfa.gov.za

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

Aim

The aim of the Department of International Relations and Cooperation is to 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: 2006/07 – 2012/13

After the 2009 national elections, the Department of Foreign Affairs changed to the Department of International Relations and Cooperation. The name change is in line with international trends, and is informed by the need for greater clarity on the department's mandate. In this regard, over and above its normal functions the department will engage in dynamic partnerships for development and cooperation.

The overall mandate of the Department of International Relations and Cooperation is to meet South Africa's foreign policy objectives by: 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; protecting South Africa's sovereignty and territorial integrity; assisting South African citizens abroad; and assisting partner departments in managing complex international dynamics.

The main goal 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.

In support of government's key targets, outlined in the medium term strategic framework, the department's priority will be to pursue African development and enhanced international cooperation.

Key strategic priorities

Consolidation of the African Agenda

Over the MTEF period, South Africa will continue to contribute towards: strengthening the African Union's (AU) governance, capacity and 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 and stability and post-conflict reconstruction initiatives; and strengthening bilateral relations.

Another priority will be establishing the South African Development Partnership Agency, which will be responsible for coordinating all South African development assistance to Africa and implementing South Africa's international development cooperation and partnership policy. This will involve cooperation with developed and developing countries. Focusing mainly on South Africa's work in Africa, the agency will articulate South Africa's objectives in joint programmes with countries of the South and seek to strengthen its relationship with northern partners, mainly through trilateral cooperation. The agency will operate under the Department of International Relations and Cooperation.

Strengthening South-South Relations

Ongoing efforts to strengthen South-South relations have resulted in high level intercontinental engagements in recent years. These are critical for promoting solidarity and strengthening interdependence among developing countries in addressing common socioeconomic challenges, such as poverty, education, health, population growth, and issues relating to women and children. Cooperation in the scientific, technical and trade fields has also strengthened, and this is evident in South Africa's participation in the upcoming intercontinental partnerships with South America and India.

South Africa will continue to participate in forums such as the India-Brazil-South Africa Dialogue Forum, the New Asian-African Strategic Partnership, the Indian Ocean Rim Association for Regional Cooperation and the Forum on China-Africa Cooperation, and groupings such as the G77 and the Non-Aligned Movement.

Strengthening North-South Relations

The department will focus on trade agreements with North America, the North American free trade area and the European Union (EU), and participate in new forums promoting North-South cooperation, such as the EU-Africa and EU-Latin America partnerships, the Tokyo International Conference on African Development and the Africa-Turkey Korea-Africa forum. Another issue that will require attention is South Africa's ongoing participation in the commonwealth youth programme, with funding having changed from voluntary pledges to

assessed contributions. This implies even more participation by South Africa in the programmes and issues that affect youth internationally.

Participation in the global system of governance

Through its participation in international forums, notably the United Nations (UN) and its agencies, South Africa works actively towards global, political and socioeconomic stability and security within the multilateral system, and promotes human rights and international law. South Africa will continue to participate in international dialogues on disarmament, non-proliferation and arms control, and climate change, and in the G8 summits.

Strengthening political and economic relations

Strengthening South Africa's bilateral relations, particularly with African countries, is a key strategic objective over the MTEF period. The focus will be on strengthening economic cooperation to promote South Africa's trade, investment and tourism potential. The department is coordinating efforts across the national, provincial and local spheres of government, with other stakeholders to compile terms of reference for coordinating its international work, and a strategy for marketing and branding South Africa abroad. The department will continue to promote South Africa as the host of the 2010 FIFA World Cup in both the build-up phase and during the event. The department is ready to respond to the increased inflow of visitors.

Savings and cost effective service delivery

Over the MTEF period, savings of R771.4 million are expected to be realised from foreign exchange rate gains. Allocations of R384 million in 2010/11 and R138 million in 2011/12 for the construction of the Pan African Parliament have been removed from the department's baseline. Alternative methods of funding will be explored. This will not impact negatively on service delivery, as Parliament will continue to operate at Gallagher Estate in Midrand, Gauteng. The transfer payment to the African Renaissance Fund has been reduced by R30 million, R60 million, and R80 million over the medium term. The funds have been allocated to other urgent government priorities. The reduction in the fund's baseline is also not expected to hamper service delivery, as it still has enough funds for all its projects.

Efficiency savings of R36 million in 2010/11 and R34 million in 2011/12 have been identified in the following areas: catering and entertainment; travel costs, through enhanced control measures to rationalise domestic travel; administrative support services, by improving the department's ICT and by implementing voice over internet protocol (VoIP); mobile phone use, through a review of administrative policies, including suspending services to mobile phones once a certain expenditure limit is reached. Savings have been identified in areas where expenditure was not cost effective and did not create value for money, so the reduced funding is not expected to have a negative impact on service delivery.

Selected performance indicators

Table 5.1 International Relations and Cooperation

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Total number of diplomatic missions abroad:	International Relations and Cooperation	119	121	123	123	123	123	123
- Africa	International Relations and Cooperation	43	45	46	46	46	46	46
- Asia and Middle East	International Relations and Cooperation	31	31	33	32	32	32	32
- Americas and Caribbean	International Relations and Cooperation	18	18	18	18	18	18	18
- Europe	International Relations and Cooperation	27	27	27	27	27	27	27
Number of bilateral agreements signed with foreign countries per year	International Relations and Cooperation	108	54	59	65	72	67	67

Table 5.1 International Relations and Cooperation (continued)

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of countries assisted with post-conflict reconstruction and development per year	International Relations and Cooperation	12	12	12	5	5	7	7
Number of countries assisted with democratic election processes per year	International Relations and Cooperation	2	2	4	4	3	5	5
Number of incoming and outgoing visits facilitated per year	Public Diplomacy and Protocol Services	324	216	333	350	369	374	374
Number of people facilitated through the VIP lounges at international airports (OR Tambo and Cape Town) per year	Public Diplomacy and Protocol Services	18 000	24 141	25 178	26 780	26 958	25 340	25 340
Number of international conferences hosted by South Africa per year	Public Diplomacy and Protocol Services	5	5	5	4	5	6	6
Number of foreign representatives in South Africa per year	Public Diplomacy and Protocol Services	282	285	285	286	487	289	289
Amount of membership fees for international organisations per year	International Transfers	R99.8m	R116.2m	R131.9m	R132.8m	R352.1m	R340.2m	R361.8m

Expenditure estimates

Table 5.2 International Relations and Cooperation

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R thousand								
1. Administration	537 101	1 181 310	1 638 436	1 207 744	1 162 744	1 020 011	1 080 192	1 141 764
2. International Relations and Cooperation	1 887 010	2 122 820	2 652 843	3 071 972	3 071 972	2 786 823	2 849 321	3 042 296
3. Public Diplomacy and Protocol Services	118 418	141 547	152 622	257 615	257 615	232 867	230 385	243 385
4. International Transfers	402 150	624 056	1 028 363	1 015 624	1 015 624	784 725	927 111	965 570
Total	2 944 679	4 069 733	5 472 264	5 552 955	5 507 955	4 824 426	5 087 009	5 393 015
Change to 2009 Budget estimate				215 926	170 926	(647 575)	(414 029)	(158 262)

Economic classification

Current payments	2 289 158	2 687 860	3 334 891	4 042 680	4 042 680	3 688 594	3 824 979	4 023 107
Compensation of employees	1 136 451	1 293 159	1 683 400	2 062 616	2 062 616	2 017 148	2 101 420	2 203 078
Goods and services	1 152 707	1 394 427	1 650 684	1 980 064	1 980 064	1 671 446	1 723 559	1 820 029
<i>of which:</i>								
<i>Administrative fees</i>	5 373	9 812	6 874	12 665	12 665	11 303	10 979	11 606
<i>Advertising</i>	5 978	7 246	7 689	11 331	11 331	7 631	7 479	7 421
<i>Assets less than the capitalisation threshold</i>	5 241	3 190	5 876	10 299	10 299	8 184	7 739	8 180
<i>Audit cost: External</i>	3 237	5 597	6 512	6 925	6 925	9 300	10 230	11 253
<i>Bursaries: Employees</i>	502	567	984	984	984	1 047	1 114	1 178
<i>Catering: Departmental activities</i>	18 573	20 113	21 668	35 104	35 104	32 343	30 955	32 719
<i>Communication</i>	64 311	65 213	70 223	76 900	76 900	82 512	82 142	86 824
<i>Computer services</i>	8 073	61 737	33 459	36 638	36 638	32 775	34 071	36 013
<i>Consultants and professional services: Business and advisory services</i>	15 736	12 746	55 063	28 917	28 917	30 768	32 583	34 440
<i>Consultants and professional services: Infrastructure and planning</i>	-	-	-	2 012	2 012	-	-	-
<i>Consultants and professional services: Legal costs</i>	-	-	-	7 398	7 398	-	-	-
<i>Contractors</i>	-	-	-	18 524	18 524	19 710	20 873	22 063
<i>Agency and support / outsourced services</i>	-	-	-	2 881	2 881	-	-	-
<i>Entertainment</i>	17 886	24 355	19 067	28 976	28 976	30 830	32 649	34 510

Table 5.2 International Relations and Cooperation (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Economic classification								
<i>Inventory: Fuel, oil and gas</i>	–	–	–	17 110	17 110	18 205	19 279	20 378
<i>Inventory: Materials and supplies</i>	8 763	34 077	9 874	11 022	11 022	13 431	12 700	13 424
<i>Inventory: Medical supplies</i>	–	–	–	419	419	–	–	–
<i>Inventory: Other consumables</i>	1 457	3 596	1 695	8 209	8 209	7 593	7 430	7 854
<i>Inventory: Stationery and printing</i>	37 346	730	37 646	37 838	37 838	44 842	43 848	46 347
<i>Lease payments</i>	493 622	535 495	455 854	822 480	822 480	691 715	721 893	746 208
<i>Property payments</i>	–	838	–	156 914	156 914	143 500	140 000	148 750
<i>Transport provided: Departmental activity</i>	114 560	–	130 538	8 457	8 457	66 836	71 579	75 659
<i>Travel and subsistence</i>	208 688	279 801	186 717	301 956	301 956	210 000	224 750	279 841
<i>Training and development</i>	6 791	3 373	11 302	13 718	13 718	19 723	20 887	22 077
<i>Operating expenditure</i>	119 286	273 251	471 671	194 774	194 774	126 052	128 911	86 388
<i>Venues and facilities</i>	17 282	52 690	117 972	127 613	127 613	63 146	61 468	86 896
Interest and rent on land	–	274	807	–	–	–	–	–
Transfers and subsidies	439 995	653 467	1 061 032	1 039 995	1 039 995	820 156	964 411	1 004 362
Provinces and municipalities	20 649	23 257	16 303	24 371	24 371	22 316	23 467	24 222
Departmental agencies and accounts	150 000	300 000	698 925	631 371	631 371	401 072	555 380	570 457
Foreign governments and international organisations	252 150	324 056	329 438	384 253	384 253	383 653	371 731	395 113
Households	17 196	6 154	16 366	–	–	13 115	13 833	14 570
Payments for capital assets	215 407	728 145	1 043 200	470 280	425 280	315 676	297 619	365 546
Buildings and other fixed structures	119 398	649 878	926 728	423 204	378 204	231 456	249 793	316 985
Machinery and equipment	92 573	61 149	81 491	47 076	47 076	84 220	47 826	48 561
Land and sub-soil assets	–	16 271	34 981	–	–	–	–	–
Software and other intangible assets	3 436	847	–	–	–	–	–	–
Payments for financial assets	119	261	33 141	–	–	–	–	–
Total	2 944 679	4 069 733	5 472 264	5 552 955	5 507 955	4 824 426	5 087 009	5 393 015

Expenditure trends

Expenditure grew from R2.9 billion in 2006/07 to R5.6 billion in 2009/10 at an average annual rate of 23.5 per cent. This growth was mainly due to: the construction of the new head office building; increased contributions to the African Renaissance and International Cooperation Fund, which aims to finance the extension of peacekeeping and developmental initiatives in Africa; the acquisition of properties to expand domestic and international property management portfolios; improvements in the department's ICT infrastructure; and strengthening missions' capacity.

Expenditure is expected to decrease marginally over the MTEF period at an average annual rate of 0.3 per cent. This is as a result of a decrease in the capital payments budget subsequent to the completion of the head office building in 2009/10 and fewer foreign property acquisitions over the MTEF period. The department will concentrate on completing existing capital projects before embarking on new projects, due to prevailing economic conditions and government spending priorities.

The department receives an additional R314 million over the MTEF period, which includes R76.5 million for the payment of unitary fees for the new head office campus and R237 million for inflation related adjustments in compensation of employees.

Infrastructure spending

Infrastructure spending increased from R119.4 million in 2006/07 to R423.2 million in 2009/10 at an average annual rate of 52.5 per cent. The construction of the new head office building was completed in August 2009 and the department relocated from 7 buildings in and around Pretoria in September 2009. With the new

building, the department will have all its units under one roof. This will greatly improve coordination in the department, and in turn have a positive impact on service delivery.

The department has initiated construction projects in Maseru (Lesotho), Addis Ababa (Ethiopia), Abuja (Nigeria) and Lilongwe (Malawi). In addition, the department will acquire property in New Delhi (India), London (United Kingdom) and Lagos (Nigeria), and will build a protocol lounge at the new international airport in Durban.

Over the MTEF period, the department will use the available funds to complete construction and acquisitions projects already under way. The total available for capital projects over the MTEF period is R798.3 million.

Refurbishment projects to the value of R245.8 million are planned for the MTEF period and will include electrical works, renovations and the structural upgrading of buildings and lifts. Refurbishments are planned in Washington, Harare, Tokyo, London, Windhoek, The Hague, Berne, Madrid, Paris, Munich, Copenhagen and Kinshasa.

Departmental receipts

Departmental receipts are generated from: interest earned from mission bank accounts; rent on state owned property; refunds received through value added tax refunds from missions, related to previous financial years; foreign exchange gains; and the sale of capital items, such as redundant furniture and fixtures. Over the MTEF period, revenue is expected to decrease from R39.2 million in 2009/10 to R33.2 million in 2012/13 due to the global recession and the strengthening of the rand against the major currencies.

Table 5.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts	46 282	65 056	43 607	39 173	18 439	31 191	33 252	33 152
Sales of goods and services produced by department	–	2 332	521	565	430	653	686	686
Sales of scrap, waste, arms and other used current goods	382	539	34 580	–	4	–	–	–
Interest, dividends and rent on land	3 131	2 116	5 565	6 962	870	7 310	7 676	7 676
Sales of capital assets	1 168	4 958	2 242	1 948	1 147	2 045	2 148	3 651
Transactions in financial assets and liabilities	41 601	55 111	699	29 698	15 988	21 183	22 742	21 139
Total	46 282	65 056	43 607	39 173	18 439	31 191	33 252	33 152

Programme 1: Administration

Expenditure estimates

Table 5.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Minister ¹	885	908	1 612	1 725	1 816	1 916	2 012
Deputy Ministers ¹	1 438	1 476	2 656	2 840	2 992	3 156	3 314
Management	46 622	62 098	68 814	78 593	83 862	86 927	91 316
Corporate Services	325 850	418 718	531 444	575 288	560 191	589 458	567 979
Diplomatic Academy	–	–	–	62 600	69 125	73 150	79 313
Foreign and Domestic Properties Management	118 160	650 059	973 186	423 204	231 456	249 793	316 985
Office Accommodation	44 146	48 051	60 724	63 494	70 569	75 792	80 845
Total	537 101	1 181 310	1 638 436	1 207 744	1 020 011	1 080 192	1 141 764
Change to 2009 Budget estimate				214 611	(269 040)	(33 790)	112 271

¹ From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Table 5.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	364 636	530 147	644 081	779 732	777 241	826 069	820 432
Compensation of employees	140 965	168 481	197 921	266 741	298 004	314 395	330 115
Goods and services	223 671	361 392	445 353	512 991	479 237	511 674	490 317
<i>of which:</i>							
<i>Administrative fees</i>	–	–	–	3 192	2 567	2 719	2 875
<i>Advertising</i>	–	–	–	2 413	–	–	–
<i>Audit cost: External</i>	3 237	5 597	6 512	6 925	9 300	10 230	11 253
<i>Bursaries: Employees</i>	502	567	984	984	1 047	1 114	1 178
<i>Catering: Departmental activities</i>	–	–	–	3 150	3 352	3 550	3 752
<i>Communication</i>	22 853	24 724	26 221	27 344	30 000	33 281	35 176
<i>Computer services</i>	3 844	53 506	18 966	22 570	26 619	28 196	29 803
<i>Consultants and professional services: Business and advisory services</i>	3 724	8 357	33 690	25 478	23 378	25 149	26 582
<i>Entertainment</i>	1 539	368	1 719	2 731	3 136	3 618	3 824
<i>Inventory: Fuel, oil and gas</i>	–	–	–	1 700	1 954	2 038	2 154
<i>Inventory: Other consumables</i>	1 457	3 596	1 695	1 962	2 216	2 347	2 481
<i>Inventory: Stationery and printing</i>	2 890	106	5 816	6 967	8 070	8 546	9 033
<i>Lease payments</i>	55 225	74 725	71 674	173 441	153 337	168 479	177 043
<i>Transport provided: Departmental activity</i>	43 592	–	49 703	–	59 107	62 594	66 162
<i>Travel and subsistence</i>	60 374	76 021	18 077	71 009	25 635	27 148	28 695
<i>Training and development</i>	6 791	3 353	8 087	9 675	11 119	11 775	12 446
<i>Operating expenditure</i>	16 236	105 951	199 637	150 752	115 246	117 550	74 327
<i>Venues and facilities</i>	1 407	4 521	2 572	2 698	3 154	3 340	3 531
Interest and rent on land	–	274	807	–	–	–	–
Transfers and subsidies	1 494	1 100	4 596	–	–	–	–
Provinces and municipalities	97	50	–	–	–	–	–
Households	1 397	1 050	4 596	–	–	–	–
Payments for capital assets	171 020	650 291	988 709	428 012	242 770	254 123	321 332
Buildings and other fixed structures	118 160	629 598	926 728	423 204	231 456	249 793	316 985
Machinery and equipment	49 457	3 725	27 000	4 808	11 314	4 330	4 347
Land and sub-soil assets	–	16 271	34 981	–	–	–	–
Software and other intangible assets	3 403	697	–	–	–	–	–
Payments for financial assets	(49)	(228)	1 050	–	–	–	–
Total	537 101	1 181 310	1 638 436	1 207 744	1 020 011	1 080 192	1 141 764

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	97	50	–	–	–	–	–
Regional Services Council levies	97	50	–	–	–	–	–
Households							
Social benefits							
Current	1 397	1 050	4 596	–	–	–	–
Employee Social Benefits	1 397	1 050	4 596	–	–	–	–

Expenditure trends

Expenditure increased from R537.1 million in 2006/07 to R1.2 billion in 2009/10, at an average annual rate of 31 per cent. The *Foreign and Domestic Property Management* subprogramme contributed to this increase due to

the construction of the head office building and the initiation of capital projects in missions. This also explains the significant increases in capital payments, of about 280.3 per cent in 2007/08 and 52 per cent in 2008/09. Expenditure on improving the department's ICT infrastructure also contributed to this growth, and explains the growth in expenditure on goods and services at an average annual rate of 31.9 per cent.

Expenditure over the MTEF period is expected to decrease marginally at an average annual rate of 1.9 per cent. This decrease is due to the completion of the head office building and some of the capital projects in missions, which both result in decreases in the *Foreign and Domestic Property Management* subprogramme.

The medium term spending focus in this programme will mainly be on completing capital projects in missions. The department will also continue improving ICT infrastructure for better communication and coordination with the missions.

Programme 2: International Relations and Cooperation

- *Bilateral Relations Management* is a management component at head office responsible for developing and monitoring policy. It also provides support to the diplomatic missions abroad. The subprogramme represents 10 per cent of the total budget of the programme, and funding is mainly used for head office support functions, including personnel.
- *Diplomatic Representation* implements foreign policy and oversees the activities of all South African missions worldwide. It is also the main cost driver of this programme and represents more than half of the total budget of the department. Funding in this programme is mainly used for the day-to-day running of the missions.

Objectives and measures

- Contribute towards strengthening the AU and its structures by:
 - providing financial and technical support for the operationalisation of the African Court of Justice and AU financial institutions by 2012/13
 - providing financial support for the operations of the Pan African Parliament and the construction of the permanent headquarters by 2012/13.
- Contribute towards the political and economic integration of African regions by supporting the implementation of the outcomes of the tripartite summit of the Common Market for Eastern and Southern Africa, the East African Community and the SADC for the establishment of a free trade area covering the tripartite countries by January 2012.
- Contribute towards improving governance and capacity in the SADC secretariat over the next 3 years by implementing the job evaluation plan of the SADC secretariat and assisting with recruitment process.
- Contribute towards NEPAD's process for socioeconomic development in Africa by actively participating in the African peer review mechanism, submitting the African peer review mechanism country report regularly (when required), and assisting other countries with preparing their reports.
- Increase South African representation in Africa by establishing a new mission by 2010/11.
- Strengthen bilateral, trilateral and multilateral interests and relations in the India-Brazil-South Africa Dialogue Forum by continuous active participation in forum structures and hosting the forum summit in 2010/11.
- Contribute to strengthening political solidarity, economic cooperation and socio-cultural relations with Asian countries by actively participating in New Asian-African Strategic Partnership structures during the MTEF period.
- Strengthen North-South economic and political relations and cooperation to advance the African Agenda by engaging with the G8 and the Tokyo international conference on African development over the next 3 years.

Service delivery focus

In August 2008, South Africa hosted and chaired the launch of the SADC regional free trade area as part of efforts towards economic development and regional integration, and facilitated the adoption of a global political agreement for political and economic stabilisation in Zimbabwe.

South Africa, as host to the Pan African Parliament, continued to provide technical and logistical support to the parliament. However, funding for the construction of the new parliament building was suspended while the department, National Treasury and the Department of Public Works consider alternative funding options. It is expected that a decision will be made by the end of 2009/10. A host country agreement for the NEPAD office was also concluded in October 2008.

As part of its contribution to post-conflict reconstruction and development, South Africa entered a general cooperation agreement with the Democratic Republic of the Congo in 2009 to promote political, economic and social cooperation between the 2 countries. South Africa also coordinated peace processes in Burundi, which included providing funding through the African Renaissance Fund.

In strengthening South-South cooperation, South Africa participated in the India-Brazil-South Africa ministerial communiqué in May 2008 and summit in October 2008, resulting in the expansion of cooperation between the 3 countries. South Africa also participated in the UN Conference on Trade and Development held in Ghana in April 2008. In terms of North-South cooperation, South Africa participated in the G8 Hokkaido Summit in Japan in 2008. With agricultural liberalisation as a key objective, South Africa continues to play a key role in working towards a successful conclusion of the Doha negotiations.

On the global governance level, South Africa participated in, among others, a meeting with the International Atomic Energy Agency on nuclear disarmament and non-proliferation in 2008 and a G20 summit in the wake of the global recession in November 2008, which culminated in a declaration and action plan. South Africa also contributed R17 million for humanitarian assistance to regions such as Southern Sudan, the Democratic Republic of the Congo, the Horn of Africa, Guinea Bissau, the Caribbean, the People's Republic of China, and Gaza, as well as the UN Central Emergency Response Fund.

South Africa continued to strengthen political and economic relations by: celebrating 10 years of bilateral relations with China in 2009 and initiating efforts to close the trade deficit between the 2 countries by negotiating the partnership for growth and development agreement; and facilitating the signing of a preferential trade agreement between the Southern African Customs Union and the Common Market of the South in 2008. The South Africa-EU strategic partnership was strengthened in 2008 through a trade, development and cooperation agreement.

Expenditure estimates

Table 5.5 International Relations and Cooperation

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Bilateral Relations Management	307 033	348 091	400 424	401 287	285 816	292 170	299 535
<i>Africa Multilateral Head Office</i>	110 105	113 299	35 427	43 208	45 973	48 685	51 461
<i>Africa Bilateral Head Office</i>	41 848	55 525	101 429	78 289	83 299	88 214	93 242
<i>America Head Office</i>	22 122	27 927	31 976	27 696	29 469	31 207	32 986
<i>Europe Head Office</i>	20 643	24 013	27 844	29 579	31 472	33 329	35 229
<i>Asia and Middle-East Head Office</i>	32 678	39 048	38 469	43 967	46 781	49 541	52 365
<i>Multilateral Head Office</i>	79 637	88 279	165 279	178 548	48 822	41 194	34 252
Diplomatic Representation	1 579 977	1 774 729	2 252 419	2 670 685	2 501 007	2 557 151	2 742 761
<i>Africa Multilateral Missions</i>	20 420	22 349	28 993	30 107	32 033	33 923	35 857
<i>Africa Bilateral Missions</i>	386 422	465 893	591 154	682 065	725 717	768 534	812 340
<i>America Missions</i>	240 062	256 942	326 006	392 088	417 181	441 795	466 977
<i>Europe Missions</i>	505 997	567 119	719 928	801 555	439 571	394 091	460 268
<i>Asia and Middle-East Missions</i>	381 403	401 198	496 024	691 615	735 878	759 295	798 715
<i>Multilateral Missions</i>	45 673	61 228	90 314	73 255	150 627	159 513	168 604
Total	1 887 010	2 122 820	2 652 843	3 071 972	2 786 823	2 849 321	3 042 296
Change to 2009 Budget estimate				(56 612)	(428 390)	(391 452)	(259 687)

Table 5.5 International Relations and Cooperation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	1 830 301	2 054 206	2 556 171	3 029 704	2 714 272	2 791 992	2 983 512
Compensation of employees	948 565	1 073 248	1 424 219	1 724 053	1 585 181	1 646 949	1 724 452
Goods and services	881 736	980 958	1 131 952	1 305 651	1 129 091	1 145 043	1 259 060
<i>of which:</i>							
Administrative fees	5 373	9 812	6 874	9 473	8 736	8 260	8 731
Advertising	5 978	7 246	7 689	8 918	7 631	7 479	7 421
Assets less than the capitalisation threshold	5 241	3 190	5 876	10 299	8 184	7 739	8 180
Catering: Departmental activities	18 573	20 113	21 668	18 454	28 991	27 405	28 967
Communication	39 029	37 969	41 634	45 221	51 023	47 299	49 995
Computer services	4 210	8 073	14 229	13 418	5 645	5 338	5 642
Consultants and professional services: Business and advisory services	11 889	4 094	19 604	1 254	4 939	4 670	4 936
Consultants and professional services: Infrastructure and planning	-	-	-	2 012	-	-	-
Consultants and professional services: Legal costs	-	-	-	7 398	-	-	-
Contractors	-	-	-	18 524	19 710	20 873	22 063
Agency and support / outsourced services	-	-	-	2 881	-	-	-
Entertainment	16 349	23 226	17 348	26 245	27 694	29 031	30 686
Inventory: Fuel, oil and gas	-	-	-	15 410	16 251	17 241	18 224
Inventory: Materials and supplies	8 763	34 077	9 874	11 022	13 431	12 700	13 424
Inventory: Medical supplies	-	-	-	419	-	-	-
Inventory: Other consumables	-	-	-	6 247	5 377	5 083	5 373
Inventory: Stationery and printing	29 515	624	27 298	26 109	31 816	30 084	31 799
Lease payments	436 029	458 676	381 973	646 684	535 525	550 270	565 842
Property payments	-	-	-	156 914	143 500	140 000	148 750
Transport provided: Departmental activity	62 130	-	69 414	-	-	-	-
Travel and subsistence	122 461	166 482	127 751	160 878	145 204	157 054	208 287
Training and development	-	-	-	4 043	8 604	9 112	9 631
Operating expenditure	101 111	160 134	265 867	29 003	7 733	8 245	8 767
Venues and facilities	15 085	47 242	114 853	84 825	59 097	57 160	82 342
Transfers and subsidies	13 238	10 936	11 913	-	13 115	13 833	14 570
Provinces and municipalities	107	6 771	1 224	-	-	-	-
Households	13 131	4 165	10 689	-	13 115	13 833	14 570
Payments for capital assets	43 303	57 189	52 668	42 268	59 436	43 496	44 214
Buildings and other fixed structures	1 238	32	-	-	-	-	-
Machinery and equipment	42 032	57 007	52 668	42 268	59 436	43 496	44 214
Software and other intangible assets	33	150	-	-	-	-	-
Payments for financial assets	168	489	32 091	-	-	-	-
Total	1 887 010	2 122 820	2 652 843	3 071 972	2 786 823	2 849 321	3 042 296

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	107	6 771	1 224	-	-	-	-
Regional Services Council levies	107	6 771	1 224	-	-	-	-

Table 5.5 International Relations and Cooperation (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Details of transfers and subsidies							
Current	13 131	4 165	10 689	-	13 115	13 833	14 570
Households							
Social benefits							
Employee Social Benefits	13 131	4 165	10 689	-	13 115	13 833	14 570

Expenditure trends

Expenditure grew at an average annual rate of 17.6 per cent from R1.9 billion in 2006/07 to R3.1 billion in 2009/10. This was due to an increase in the number of missions (from 119 in 2006/07 to 123 in 2009/10) and to strengthening the capacity of missions that previously operated on a smaller scale. This capacity building drive also explains the significant growth in current payments at an average annual rate of 18.3 per cent over the same period. Expenditure for supporting the operations of the Pan African Parliament also contributed to the growth.

Expenditure is expected to decrease marginally over the MTEF period at an average annual rate of 0.3 per cent, due to an expected strengthening of the Rand against other major currencies. As expenditure in this programme is significantly affected by exchange rate fluctuations, the strengthening of the Rand is expected to offset increases in expenditure incurred in foreign currencies.

Over the MTEF period, the department will focus on strengthening capacity for small scale missions to improve service delivery. The department will also continue to support the activities of missions and the implementation of foreign policy.

Programme 3: Public Diplomacy and Protocol Services

- *Public Diplomacy* liaises with the media, engages with national stakeholders, and promotes South Africa's policies and programmes both nationally and internationally. Funding mainly relates to logistical costs for promotions, policies and programmes.
- *Protocol* deals with protocol administration, protocol ceremonial services, state visits, diplomatic liaison, and intergovernmental or provincial protocol services. The subprogramme organises international conferences and ensures the availability of guesthouses for visitors. Funding is used to cover costs relating to the presidential inauguration, the facilitation of incoming and outgoing state visits, and training on protocol matters.

Objectives and measures

- Provide 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 for hosting international conferences and summits, including the NEPAD heads of state implementation committee, and the annual AU foreign ministers' meeting.

Service delivery focus

The *Public Diplomacy* subprogramme continued its marketing activities with the aim of building and projecting a positive image of South Africa. Key activities in 2008/09 included the SADC ministerial and heads of state summits, the South African tourism indaba, two imbizo outreach campaigns in KwaZulu-Natal, an exhibition during its 2008 budget vote, and an investment conference in 2009 in Eastern Cape.

In 2008/09, the *Protocol* subprogramme coordinated 160 ceremonial events, managed 255 incoming and outgoing visits and assisted in 2010 FIFA World Cup related events. The department also assisted provinces and local governments in managing 364 outgoing visits and 51 incoming visits.

In 2008/09, the department provided training sessions on protocol etiquettes and FIFA protocol for the 2010 FIFA World Cup host cities and for premiers' offices in the host provinces. The department also actively participated in, and in some cases was the major driver of, a number of 2010 FIFA World Cup and 2009 FIFA Confederations Cup related events such as the 2009 FIFA Confederations Cup draw show and the 500 days countdown celebrations in 2009.

Expenditure trends

Table 5.6 Public Diplomacy and Protocol Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Public Diplomacy	25 770	23 515	36 758	49 574	48 539	52 319	58 223
Protocol	92 648	118 032	115 864	208 041	184 328	178 066	185 162
Total	118 418	141 547	152 622	257 615	232 867	230 385	243 385
Change to 2009 Budget estimate				42 327	79 855	71 213	60 051

Economic classification

Current payments	94 221	103 507	134 639	233 244	197 081	206 918	219 163
Compensation of employees	46 921	51 430	61 260	71 822	133 963	140 076	148 511
Goods and services	47 300	52 077	73 379	161 422	63 118	66 842	70 652
<i>of which:</i>							
<i>Catering: Departmental activities</i>	-	-	-	13 500	-	-	-
<i>Communication</i>	2 429	2 520	2 368	4 335	1 489	1 562	1 651
<i>Computer services</i>	19	158	264	650	511	537	568
<i>Consultants and professional services: Business and advisory services</i>	123	295	1 769	2 185	2 451	2 764	2 922
<i>Entertainment</i>	-	761	-	-	-	-	-
<i>Inventory: Stationery and printing</i>	4 941	-	4 532	4 762	4 956	5 218	5 515
<i>Lease payments</i>	2 368	2 094	2 207	2 355	2 853	3 144	3 323
<i>Property payments</i>	-	838	-	-	-	-	-
<i>Transport provided: Departmental activity</i>	8 838	-	11 421	8 457	7 729	8 985	9 497
<i>Travel and subsistence</i>	25 853	37 298	40 889	70 069	39 161	40 548	42 859
<i>Training and development</i>	-	20	3 215	-	-	-	-
<i>Operating expenditure</i>	1 939	7 166	6 167	15 019	3 073	3 116	3 294
<i>Venues and facilities</i>	790	927	547	40 090	895	966	1 023
Transfers and subsidies	23 113	17 375	16 160	24 371	22 316	23 467	24 222
Provinces and municipalities	20 445	16 436	15 079	24 371	22 316	23 467	24 222
Households	2 668	939	1 081	-	-	-	-
Payments for capital assets	1 084	20 665	1 823	-	13 470	-	-
Buildings and other fixed structures	-	20 248	-	-	-	-	-
Machinery and equipment	1 084	417	1 823	-	13 470	-	-
Total	118 418	141 547	152 622	257 615	232 867	230 385	243 385

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	20 445	16 436	15 079	24 371	22 316	23 467	24 222
Diplomatic missions	20 445	16 436	15 079	24 371	22 316	23 467	24 222
Households							
Social benefits							
Current	2 668	939	1 081	-	-	-	-
Employee Social Benefit	2 668	939	1 081	-	-	-	-

Expenditure trends

Expenditure increased from R118.4 million in 2006/07 to R257.6 million in 2009/10 at an average annual rate of 29.6 per cent, due to a significant increase in the number of incoming and outgoing state visits, which in turn increased the demand for protocol services. The department provides protocol advice and support to other government departments, non-governmental organisations, the private sector and the 2010 FIFA World Cup local organising committee. The increase in 2009/10 is also due to an allocation of R60 million to the *Protocol* subprogramme for the presidential inauguration in May 2009.

The department has been building capacity to respond to the increased demand for protocol and diplomatic services, hence the significant growth in compensation of employees. Between 2006/07 and 2009/10, expenditure on compensation of employees grew at an average annual rate of 15.2 per cent. The growth trend will continue over the MTEF period, at an average annual rate of 27.4 per cent, with the highest increase in 2010/11 at 86.5 per cent.

Expenditure is expected to decrease marginally over the MTEF period at an average annual rate of 1.9 per cent, as no further expenses for the presidential inauguration are expected. In this period, facilitating and coordinating protocol services for 2010 FIFA World Cup events will continue to be the department's major focus. The department will also continue to: implement identified media liaison interventions; provide speech writing and other strategic communication services; implement the marketing communication plan; manage and maintain guesthouses and state protocol lounges; and improve the planning, execution and management of international state events.

Programme 4: International Transfers

- *International* funds fees and contributions to various international organisations.

Expenditure estimates

Table 5.7 International Transfers

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
International Organisations	402 150	624 056	1 028 363	1 015 624	784 725	927 111	965 570
Total	402 150	624 056	1 028 363	1 015 624	784 725	927 111	965 570
Change to 2009 Budget estimate				15 600	(30 000)	(60 000)	(70 897)

Economic classification

Transfers and subsidies	402 150	624 056	1 028 363	1 015 624	784 725	927 111	965 570
Departmental agencies and accounts	150 000	300 000	698 925	631 371	401 072	555 380	570 457
Foreign governments and international organisations	252 150	324 056	329 438	384 253	383 653	371 731	395 113
Total	402 150	624 056	1 028 363	1 015 624	784 725	927 111	965 570

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	150 000	300 000	698 925	631 371	401 072	555 380	570 457
African Renaissance and International Cooperation Fund	150 000	300 000	698 925	631 371	401 072	555 380	570 457
Foreign governments and international organisations							
Current	252 150	324 056	329 438	384 253	383 653	371 731	395 113
African Union	85 019	110 434	118 459	151 187	159 041	152 119	160 790
Group of 77 Countries	100	99	105	110	115	115	122
India Brazil South Africa Trust Fund	5 443	10 064	7 378	7 717	8 065	8 065	8 525

Table 5.7 International Transfers (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Foreign governments and international organisations							
Current	252 150	324 056	329 438	384 253	383 653	371 731	395 113
New Partnership for Africa's Development	30 000	30 000	31 620	30 000	34 563	34 563	36 533
Organisation for Economic Cooperation and Development	–	295	216	226	236	236	250
Other International Organisations	4 128	208	1 032	1 079	1 128	1 128	1 192
Gambian Government: Local Office Costs	–	–	211	220	230	230	243
United Nations Development Programme	–	5 500	5 200	5 400	5 600	5 600	5 919
African, Caribbean and Pacific Group of states	3 058	3 192	3 650	3 796	3 948	3 948	4 173
Bureau of International Exposition	–	–	27	29	30	30	32
Commonwealth	7 006	8 113	17 745	8 563	9 399	9 399	9 935
Southern African Development Community	25 255	29 605	30 789	35 095	33 302	33 302	35 200
United Nations	64 326	86 127	79 381	91 226	91 894	86 894	91 847
United Nations Human Rights Council	148	–	316	331	346	346	366
Bacterial and Toxic Weapons Convention	–	–	458	480	501	501	530
Comprehensive Test Ban Treaty	2 379	2 909	5 518	5 772	6 032	6 032	6 376
Humanitarian Aid	17 801	34 046	24 072	40 457	25 660	25 660	27 123
Indian Ocean Rim Research Centre	–	81	133	139	145	145	153
Perrez-Guerrero Trust Fund	50	52	56	58	61	61	65
South Centre Capital Fund	495	1 045	1 107	1 158	1 210	1 210	1 279
United Nations Development Programme in Southern Africa	6 556	1 297	1 052	1 100	1 150	1 150	1 216
United Nations Technical Cooperation	218	–	105	110	115	115	122
United Nations Voluntary Fund for Disability	–	–	70	–	76	76	80
United Nations Children's Fund	168	370	211	–	230	230	2 433
United Nations Convention on the Law of Sea	–	619	527	–	576	576	609

Expenditure trends

Expenditure in this programme grew from R402.2 million in 2006/07 to R1 billion in 2009/10 at an average annual rate of 36.2 per cent. The growth was due to the recapitalisation of the African Renaissance and International Cooperation Fund to increase funding for post-conflict reconstruction and development initiatives in Burundi and the Democratic Republic of the Congo, and for economic reconstruction programmes in Zimbabwe.

Over the MTEF period, expenditure is expected to decrease marginally at an average annual of rate of 1.7 per cent. This is mainly due to the reduction in the transfer payment to the African Renaissance Fund to enable government to fund other urgent priorities.

Public entity

African Renaissance and International Cooperation Fund

Strategic overview: 2006/07 – 2012/13

The African Renaissance and International Co-operation 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 countries, specifically in Africa, 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.

Multilateralism and regional interaction are encouraged by financial support to regional and continental multilateral institutions. The fund supports local economic development by facilitating dialogue on developmental issues. It also promotes the implementation of bilateral development agreements between South Africa and partner countries.

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

Selected performance indicators

Table 5.8 African Renaissance and International Cooperation fund

Indicator	Programme/Activity	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of projects approved per year		11	6	9	9	10	15	17
Total value of projects approved		R389m	R352m	R476m	R631m	R401m	R555m	R570m
Value of funds approved for promoting democracy and good governance per year	South Africa's participation in the SADC observer mission to the Zimbabwe runoff elections	R278m	R96m	R4m	R394m	R57m	R100m	R63m
Value of funds approved for the prevention and resolution of conflict per year	Bilateral projects	R27m	R8m	R10m	R100m	R211m	R315m	R379m
Value of funds approved for humanitarian assistance and disaster relief per year	Funding, humanitarian and technical assistance to countries in need of disaster relief	R10m	R22m	R300m	R10m	R10m	R10m	R10m
Value of funds approved for cooperation between South Africa and other countries, in particular African countries per year	Bilateral projects	R12m	R35m	R42m	R72m	R100m	R100m	R103m
Value of funds approved for human resource development per year	Technical assistance to identified countries; and training Congolese public service officials	R27m	R176m	R20m	R25m	R24m	R30m	R15m
Value of funds approved for socioeconomic development and integration per year	Bilateral projects	R35m	R15m	R100m	R30m	-	-	-

Service delivery focus

In 2008/09, the African Renaissance and International Cooperation Fund approved R472 million for the following projects: R300 million to assist Zimbabwe with agricultural requirements and emergency food relief; R40 million for relocating the border post and upgrading the road from Himeville to Sani Top in Lesotho; R60 million towards building the Metolong Dam to improve access to water in the Lesotho lowlands; R20 million through the Public Administration Leadership and Management Academy for administrative and training support to assist the Democratic Republic of the Congo in capacity building efforts; R10 million for South Africa to continue facilitating the peace process in Burundi; R20 million for the Timbuktu manuscripts project aimed at conserving manuscripts and rebuilding the library and archival infrastructure at the Ahmed Baba Institute in Mali; and R8 million for refurbishment and construction at the OR Tambo School of Leadership in Kawaweta, Uganda. R14 million was committed to assist with transforming the Institute of Gemmology in Madagascar, but the project is currently on hold due to political challenges.

Expenditure estimates

Table 5.9 African Renaissance and International Cooperation Fund: Project information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
DFA-GOSS UNISA	27 000	30 000	–	–	–	–	–
Comoros	10 000	–	–	–	–	–	–
Assistance to the Government of Guinea	–	60 000	–	52 018	80 000	20 000	48 000
Maloti-Drakenstein transportier	–	–	–	20 000	20 000	80 000	–
Zimbabwe projects	–	–	313 500	300 000	–	–	–
Other projects	352 321	262 172	162 100	259 353	301 072	455 380	522 457
Total expense	389 321	352 172	475 600	631 371	401 072	555 380	570 457

Table 5.10 African Renaissance and International Cooperation Fund: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	28 957	36 306	46 174	39 269	40 839	42 473	54 931
<i>Other non-tax revenue</i>	28 957	36 306	46 174	39 269	40 839	42 473	54 931
Transfers received	150 000	300 000	698 925	631 371	401 072	555 380	570 457
Total revenue	178 957	336 306	745 099	670 640	441 911	597 853	625 388
Expenses							
Transfers and subsidies	389 321	352 172	475 600	631 371	401 072	555 380	570 457
Total expenses	389 321	352 172	475 600	631 371	401 072	555 380	570 457
Surplus / (Deficit)	(210 364)	(15 866)	269 499	39 269	40 839	42 473	54 931
Statement of financial position							
Receivables and prepayments	8 742	34 386	34 386	34 386	34 386	34 386	34 386
Cash and cash equivalents	205 804	466 983	698 725	733 661	770 344	808 862	849 305
Total assets	214 546	501 369	733 111	768 047	804 730	843 248	883 691
Accumulated surplus/deficit	60 831	44 965	314 464	350 564	412 540	450 916	474 500
Trade and other payables	153 715	456 404	418 647	417 483	392 190	392 332	409 191
Total equity and liabilities	214 546	501 369	733 111	768 047	804 730	843 248	883 691

Expenditure trends

The main source of funding for the African Renaissance 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.

The transfer payment to the fund increased from R150 million in 2006/07 to R631.4 million in 2009/10 at an average annual rate of 61.5 per cent. Over the same period, expenditure increased from R389.3 million to R631.4 million at an average annual rate of 17.5 per cent. This increase was mainly due to an additional R300 million in 2009 for Zimbabwe. The slower growth of expenditure relative to transfer income growth explains the increase in the fund's surplus and interest income, which is under other non-tax revenue.

Over the MTEF period, expenditure is expected to decrease at an average annual rate of 3.3 per cent. This is mainly due to the reduction in the fund's baseline by R30 million, R60 million and R80 million over the MTEF period to fund other government priorities.

The fund's medium term focus will be on projects for promoting peace and stability in Africa, reconstruction and development projects in Africa and other developing countries, and support for urgent humanitarian needs.

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	2008/09		2008/09	2009/10			2009/10
1. Administration	1 049 913	1 715 432	1 638 436	993 133	214 611	1 207 744	1 162 744
2. International Relations and Cooperation	2 410 711	2 662 271	2 652 843	3 128 584	(56 612)	3 071 972	3 071 972
3. Public Diplomacy and Protocol Services	147 258	159 258	152 622	215 288	42 327	257 615	257 615
4. International Transfers	732 826	1 032 826	1 028 363	1 000 024	15 600	1 015 624	1 015 624
Total	4 340 708	5 569 787	5 472 264	5 337 029	215 926	5 552 955	5 507 955

Economic classification

Current payments	2 980 867	3 244 363	3 334 891	3 993 354	49 326	4 042 680	4 042 680
Compensation of employees	1 456 935	1 458 415	1 683 400	2 013 290	49 326	2 062 616	2 062 616
Goods and services	1 523 932	1 785 948	1 650 684	1 980 064	–	1 980 064	1 980 064
Interest and rent on land	–	–	807	–	–	–	–
Transfers and subsidies	767 578	1 067 604	1 061 032	1 024 395	15 600	1 039 995	1 039 995
Provinces and municipalities	22 743	22 743	16 303	24 371	–	24 371	24 371
Departmental agencies and accounts	398 925	698 925	698 925	631 371	–	631 371	631 371
Foreign governments and international organisations	333 901	333 901	329 438	368 653	15 600	384 253	384 253
Public corporations and private enterprises	12 009	12 035	–	–	–	–	–
Households	–	–	16 366	–	–	–	–
Payments for capital assets	592 263	1 257 820	1 043 200	319 280	151 000	470 280	425 280
Buildings and other fixed structures	486 681	1 117 219	926 728	272 204	151 000	423 204	378 204
Machinery and equipment	105 582	105 620	81 491	47 076	–	47 076	47 076
Land and sub-soil assets	–	34 981	34 981	–	–	–	–
Payments for financial assets	–	–	33 141	–	–	–	–
Total	4 340 708	5 569 787	5 472 264	5 337 029	215 926	5 552 955	5 507 955

Table 5.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Permanent and full time contract employees							
Compensation (R thousand)	1 136 451	1 293 159	1 683 400	2 062 616	2 037 148	2 121 420	2 228 078
Unit cost (R thousand)	263	288	374	456	449	466	490
<i>Administration</i>	191	223	239	326	281	297	311
<i>International Relations and Cooperation</i>	284	307	417	502	509	526	551
<i>Public Diplomacy and Protocol Services</i>	203	215	235	270	374	391	415
Personnel numbers (head count)	4 313	4 493	4 504	4 521	4 533	4 549	4 549
Personnel numbers (head count)	83	89	13	12	10	9	9
Total for department							
Compensation (R thousand)	1 136 451	1 293 159	1 683 400	2 062 616	2 037 148	2 121 420	2 228 078
Unit cost (R thousand)	259	282	373	455	448	465	489
Personnel numbers (head count)	4 396	4 582	4 517	4 533	4 543	4 558	4 558

Table 5.C Detail of approved establishment and personnel numbers according to salary level ¹

	Personnel post status as at 30 September 2009			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		
				2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Department	4 533	4 492	119	4 313	4 493	4 504	4 521	4 533	4 549	4 549
Salary level 1 – 6	480	477	86	412	396	413	403	480	480	480
Salary level 7 – 10	3 333	3 300	19	3 289	3 518	3 478	3 494	3 333	3 349	3 349
Salary level 11 – 12	440	436	10	387	352	371	381	440	440	440
Salary level 13 – 16	280	279	4	225	227	242	243	280	280	280
Administration	1 060	1 056	119	737	756	827	818	1 060	1 060	1 060
Salary level 1 – 6	354	354	86	293	289	299	291	354	354	354
Salary level 7 – 10	526	522	19	329	346	403	394	526	526	526
Salary level 11 – 12	120	120	10	77	86	85	89	120	120	120
Salary level 13 – 16	60	60	4	38	35	40	44	60	60	60
International Relations and Cooperation	3 115	3 092	-	3 345	3 498	3 416	3 437	3 115	3 131	3 131
Salary level 1 – 6	53	53	-	65	59	57	56	53	53	53
Salary level 7 – 10	2 589	2 566	-	2 822	3 021	2 914	2 936	2 589	2 605	2 605
Salary level 11 – 12	274	274	-	285	238	256	259	274	274	274
Salary level 13 – 16	199	199	-	173	180	189	186	199	199	199
Public Diplomacy and Protocol Services	358	344	-	231	239	261	266	358	358	358
Salary level 1 – 6	73	70	-	54	48	57	56	73	73	73
Salary level 7 – 10	218	212	-	138	151	161	164	218	218	218
Salary level 11 – 12	46	42	-	25	28	30	33	46	46	46
Salary level 13 – 16	21	20	-	14	12	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 2009.

Table 5.D Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R thousand)	1 136 451	1 293 159	1 683 400	2 062 616	2 037 148	2 121 420	2 228 078
Training expenditure (R thousand)	4 025	13 128	8 087	12 417	14 433	14 101	14 101
Training as percentage of compensation	0.4%	1.0%	0.5%	0.6%	0.7%	0.7%	0.6%
Total number trained in department (head count)	1 117	1 139	1 139	1 139			
<i>of which:</i>							
<i>Employees receiving bursaries (head count)</i>	95	95	9	9			
<i>Leaverships trained (head count)</i>	79	42	42	42			

Table 5.E Summary of departmental public private partnership (PPP) projects

Project description: Department of international Relations and Cooperation office campus	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2009/10	2010/11	2011/12
R thousand					
Projects signed in terms of Treasury Regulation 16	109 947	109 947	143 500	140 000	148 750
PPP unitary charge	109 947	109 947	143 500	140 000	148 750
Total	109 947	109 947	143 500	140 000	148 750

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Office Campus
Brief description	Office Campus
Date PPP agreement was signed	Estimated date: 13 March 2009
Duration of PPP agreement	25 years
Escalation index for unitary fee	CPIX
Net Present Value of all payment obligations discounted at appropriate duration government bond yield	Unitary fee and its cost implication is subject to CPIX adjustments

Table 5.F Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand												
Foreign In cash												
Germany	Capacity and institutional building for Southern Sudan	International Transfers	12 404	Foreign governments and international organisations	Capacity and institutional building	-	-	-	12 404	-	-	-
Belgium	Burundi peace process	International Transfers	2 471	Foreign governments and international organisations	Construction of Rubira Assembly	-	-	-	2 471	-	-	-
Norwegian Government	Burundi peace process	International Transfers	646	Foreign governments and international organisations	Force National Deliberation extra ordinary congress	-	-	-	646	-	-	-
France	Burundi peace process	International Transfers	5 867	Foreign governments and international organisations	Peace process initiatives	1 429	-	4 438	-	-	-	-
Netherlands	Integration of armed force in Democratic Republic of Congo	International Transfers	22 198	Foreign governments and international organisations	Capacity building	-	6 899	15 300	-	-	-	-
Total			43 586			1 429	6 899	19 738	15 521	-	-	-

Table 5.G Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand										
Departmental infrastructure										
Head Office Campus	Construction of headquarter for the department	Handed over	965 519	-	300 000	665 519	-	-	-	-
Addis Ababa	Chancery and three residences	Construction	-	26 504	66 622	-	-	-	-	-
Washington (Refurbishment of Chancery)	Functional and effective office accommodation	Feasibility	205 400	-	-	59 365	79 239	40 975	30 745	28 242
New Delhi (Acquisition of Land)	Land for the construction of a Chancery	Various	370 000	-	-	35 000	130 039	33 975	4 500	35 000
Refurbishment at Missions	Refurbishment of infrastructure	Various	60 150	43 144	49 020	40 633	125 189	48 976	33 748	63 243
Brussels (Acquisition of Chancery)	Functional and effective office accommodation and staff housing	Various	-	-	93 622	-	-	-	-	-

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

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand										
Departmental infrastructure										
Abuja (Construction of Chancery and Official Residence)	Functional and effective office accommodation and official residence	Construction	122 284	2 684	57 090	26 144	42 598	19 430	-	-
Pan African Parliament	Functional and effective office accommodation and Parliamentary facilities	Feasibility	-	-	-	48 000	-	-	-	-
Maseru (Construction of Chancery and Staff Housing)	Functional and effective office accommodation and staff housing	Construction	105 161	22 566	35 940	46 404	8 639	-	-	-
Dar es Salaam (Construction of Chancery)	Functional and effective office accommodation	Design	49 500	100	1 800	851	9 000	28 000	12 500	-
Kigali (Construction of Chancery and Official Residence)	Functional and effective office accommodation and official residence	Design	49 486	-	645	769	3 700	5 500	22 800	27 000
Mbabane (Construction of Chancery)	Functional and effective office accommodation	Feasibility	39 000	-	-	-	2 500	3 500	18 000	10 000
Riyadh (Acquisition of Land)	Land for the construction of a Chancery	Handed over	-	-	10 619	-	-	-	-	-
Bujumbura (Acquisition of Chancery)	Functional and effective office accommodation	Construction	-	-	4 900	-	-	-	-	-
Gaborone (Acquisition of Chancery)	Functional and effective office accommodation	Construction	-	-	22 674	-	-	-	-	-
Lilongwe (Construction of Chancery and staff Housing)	Functional and effective office accommodation and staff housing	Design	68 800	100	935	1 355	5 600	19 500	32 000	15 000
Mbabane (Construction of staff housing)	Functional and effective staff housing	Design	78 000	200	2 450	1 249	7 500	22 000	33 500	15 500
Kigali	-	-	-	100	2 166	-	-	-	-	-
Gaborone (Construction of Official Residence)	Functional and effective Official Residence	Design	23 000	24 000	195	1 439	3 500	-	12 000	11 000
Riyadh (Construction of Chancery and Official Residence)	Functional and effective office accommodation and official residence	Feasibility	75 000	-	-	-	1 800	2 700	25 000	35 000
Bamako (Construction of Chancery, Official Residence and Staff housing)	Functional and effective office accommodation and official residence	Feasibility	48 000	-	200	-	800	2 200	4 500	15 000
Dakar (Construction of Chancery)	Functional and effective office accommodation	Feasibility	48 000	-	-	-	800	2 200	18 000	27 000

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

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand										
Departmental infrastructure										
Montivideo (Construction of staff housing)	Functional and effective staff housing	Feasibility	4 500	-	-	-	800	-	-	-
Luanda (Construction of Chancery)	Functional and effective office accommodation	Feasibility	9 500	-	-	-	1 500	2 500	2 500	35 000
Tokyo and New York	-	-	-	-	1 000	-	-	-	-	-
Total			2 321 300	119 398	649 878	926 728	423 204	231 456	249 793	316 985

