



**2015 BUDGET ANALYSIS: VOTE 6 - THE DEPARTMENT OF INTERNATIONAL RELATIONS AND COOPERATION**

27 February 2015

**1. Introduction**

The implementation of various budget reforms in South Africa has contributed to greater transparency in public finances and allowed for more effective allocation of state resources. This analysis will delve into budget allocations for the Department of International Relations and Cooperation (the Department) as reflected in the Estimates of National Expenditures (ENE), and identify areas of importance for the Portfolio Committee on International Relations and Cooperation (the Committee).

**1.1 Economic Imperatives Identified in the Budget Speech by the Minister of Finance, Mr. Nhlanhla Nene**

During the 2015 Budget Speech, Minister of Finance, Mr. Mhlanhla Nene, dedicated some time to reflecting on economic issues that could have a bearing on the work of the Department as it conducts Economic Diplomacy as a tool for boosting Foreign Direct Investment flows into South Africa. During his budget speech, Minister Nene noted that global economic growth is expected to remain sluggish over the period ahead, rising from 3.3 per cent in 2014 to 3.5 per cent this year. Minister Nene pointed out that there is considerable variation in economic performances between countries and economic trends are likely to be volatile. In the United States, 3.6 per cent growth is expected this year, but in Europe the outlook remains weak, and could still be destabilised by disagreements between debtor and creditor nations.<sup>1</sup>

Notably, Minister Nene noted that in emerging markets and developing economies, growth of about 4.5 per cent is expected. China's growth is expected to slow to 6.8 per cent this year. Amongst South Africa's neighbours in Africa, the recent shifts in commodity prices will benefit some countries and disadvantage others. In developing this point further, Minister Nene noted that South Africa will benefit from the lower oil price, but South Africa's major commodity exports have been negatively affected by the global slowdown. However, South Africa's deepening trade and investment links with sub-Saharan Africa continue to offer favourable growth prospects. Exports to Africa grew by 19 per cent in 2013 and 11 per cent in 2014. Minister Nene argued that South Africa's primary challenge is to deal with the structural and competitiveness challenges that hold back production and investment in the economy.<sup>2</sup>

Minister Nene noted that electricity constraints hold back growth in manufacturing and mining, and also inhibit investment in housing and raise costs for businesses and

<sup>1</sup> Nene, (2015).

<sup>2</sup> Ibid



households. Mainly for this reason, South Africa's projected economic growth for 2015 is just 2 per cent, down from the 2.5 per cent indicated in October last year. South Africa expects growth to rise to 3 per cent by 2017.<sup>3</sup>

According to Minister Nene during the budget speech, inflation has subsequently declined to just 4.4 per cent in January 2015, and is expected to average 4.3 per cent for the remainder of 2015, laying a foundation for economic growth. Minister Nene feels that higher growth is possible, if South Africa makes good progress in responding to the electricity challenge or if export performance is stronger. The best short-term prospects for faster growth lie in less energy-intensive sectors such as tourism, agriculture, light manufacturing and housing construction. These are also sectors that employ more people, and so they contribute to more inclusive growth. Efforts to support these sectors have to be intensified.<sup>4</sup>

Minister Nene concluded his discussion of economic issues by noting that the first phase of implementation of the National Development Plan is elaborated in Government's medium term strategic framework. Minister Nene emphasized that if the people of South Africa remain united and energised around its implementation, the country will continue to make progress towards a just and prosperous future.<sup>5</sup>

## **2. Budget Vote Analysis 2015**

### **2.1 The Mandate of the Department**

As articulated in the Estimates of National Expenditure (ENE), the Constitution gives the president the ultimate responsibility for the foreign policy and international relations of South Africa. It is the prerogative of the president to "appoint heads of mission, to receive foreign heads of mission, to conduct state-to-state relations, and to negotiate and sign all international agreements".<sup>6</sup> International agreements that are not of a technical, administrative or executive nature will only bind the country after being approved by Parliament. Parliament also approves ratification or accession of the country to multilateral agreements. All international agreements must be tabled in Parliament for information purposes. The Minister of International Relations and Cooperation is entrusted with the formulation, promotion and execution of South Africa's foreign policy and with the daily conduct of South Africa's foreign policy.<sup>7</sup>

The Department's overall mandate is to work for the realisation of South Africa's foreign policy objectives. This is done by:

- coordinating and aligning South Africa's international relations abroad;

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<sup>3</sup> Nene, (2015).

<sup>4</sup> Ibid

<sup>5</sup> Ibid

<sup>6</sup> National Treasury Estimates of National Expenditure 2014

<sup>7</sup> Ibid



- monitoring developments in the international environment;
- communicating government's policy positions;
- developing and advising government on policy options, and creating mechanisms and avenues for achieving objectives;
- protecting South Africa's sovereignty and territorial integrity;
- contributing to the creation of an enabling international environment for South African business;
- sourcing developmental assistance; and
- assisting South African citizens abroad.<sup>8</sup>

## 2.2 The Strategic Goals of the Department

Within the 2014 ENE of the National Treasury, the Department's strategic goals over the medium term were described as seeking to:

- promote policies, strategies and programmes to advance South Africa's national priorities through strengthened political, economic and social relations with targeted countries;
- participate in the global system of governance to enhance international responsiveness to the needs of developing countries and Africa in particular through a reformed, strengthened and equitable rules based multilateral system;
- enhance the African Agenda and sustainable development to promote global security, sustainable development and human rights;
- strengthen political and economic integration of Southern African Development Community;
- strengthen relations with strategic formations of the North as well as South-South relations; and
- provide effective state protocol services in response to the requirements of the Vienna Convention.<sup>9</sup>

These are not described in the 2015 ENE, however, these are likely to remain the key priorities defining the work of the Department.

## 2.3 Expenditure Trends

According to the 2014 ENE, one of the objectives of the national development plan is to enhance South Africa's position in the region and the world, and to increase trade and investment. The plan states that: the country's foreign policy should be shaped by the interplay between diplomatic, political, security, environmental, economic and regional dynamics that define international relations; the country position itself as one of Africa's powerhouses, leading development and growth on the continent; and integration with the Brazil-Russia-India-China-South Africa group of countries should be deepened.<sup>10</sup> While the

<sup>8</sup> National Treasury Estimates of National Expenditure 2014

<sup>9</sup> Ibid

<sup>10</sup> Ibid



NDP is not mentioned in the 2015 ENE, it remains among the key documents contributing to the strategic orientation of the Department.

The 2015 ENE states that the spending focus of the Department over the medium term will be on continuing to sustain South Africa's international economic and political relations and to participate in global governance forums. In addition, the Department will also focus on enhancing its operational capacity.<sup>11</sup>

In terms of **sustaining economic and political relations and to participate in global governance forums**, the Department will continue to participate in multilateral forums, including the African Union (AU) structures. The 2014-2019 medium term strategic framework tasks the Department with increasing the uptake of South Africa's quota in AU structures over the medium term from 30 per cent (8 of 27 posts filled) to 60 per cent (16 posts filled).<sup>12</sup>

The Department remains committed to regional integration through its participation in the Southern African Development Community (SADC) and will remain involved in reviewing the SADC Regional Indicative Strategic Development Plan as well as conceptualising the process for establishing a Free Trade Area led by the Department of Trade and Industry. In addition, the Department will continue to promote post-conflict reconstruction and development as well as participate in political reform in the Great Lakes Region. Over the medium-term this will include the operationalisation of the tripartite agreement between South Africa, Angola and the Democratic Republic of Congo (DRC) in support of the peace and security framework agreement for the Great Lakes Region, deploying the SADC intervention brigade in the DRC, working with the Department of Defence to operationalise the AU peace and security architecture, and participating in the political processes to restore order and stability in the Central African Republic, the DRC, Libya, Somalia and South Sudan. The ENE adds that these and other activities are funded over the medium term from R9.4 billion in the International Relations Programme (Programme 2) and R1.5 billion in the International Cooperation Programme (Programme 3).<sup>13</sup>

With regards to **enhancing the Department's operational capacity**, the 2015 ENE states that the Department intends to redefine its outgoing development cooperation over the medium-term. The Department plans to table the Partnership Fund for Development Bill, a bill which seeks to repeal the African Renaissance and International Cooperation Fund Act (2000) and provide a legislative framework for the establishment of the South African Development Partnership Agency. According to the ENE, Cabinet approved budget reductions of R335.3 million in 2015/16, R467.1 million in 2016/17 and R168.5 million in 2017/18 are to be effected on non-essential goods and services, compensation of employees and transfers to the African Renaissance and International Cooperation Fund. The Fund has sufficient cash reserves to absorb the impact of the reductions and its operations will not be affected.<sup>14</sup>

<sup>11</sup> National Treasury Estimates of National Expenditure 2014

<sup>12</sup> National Treasury Estimates of National Expenditure 2015

<sup>13</sup> *ibid*

<sup>14</sup> *ibid*



Within the context of working in a global environment which is not defined by the public service regulations of South Africa, the Department intends to table the Foreign Services Bill over the medium term. Both the work associated with Development Cooperation and development of the Foreign Services Bill are funded in the Administration Programme (Programme 1) of the Department.<sup>15</sup>

The 2015 ENE further states that the Department's international property portfolio consists of 133 state owned properties and 800 rented properties. Presently, the Department spends approximately R575 million per year on leases where it does not own property. High rental costs are worsened in countries whereby the lease property market is not well regulated. Over the medium-term the Department will assess the viability of an acquisition and disposal strategy which will be comprised of both a risk assessment and cost-benefit analysis. The intention of such an approach would be a shift from rental to ownership of properties and potentially utilisation of other mechanisms such as public private partnerships (PPP). Over the medium-term, the Department will be completing the construction of chanceries and official residences in Tanzania, Malawi and the Netherlands. The Department also intends to enter into PPP partnerships for constructing chanceries on vacant state owned land in India, Saudi Arabia, Senegal, Mali, Botswana and Uruguay. Spending on infrastructure increased from R205.2 million in 2011/12 to R213.5 million in 2014/15, and is expected to increase to R223.7 million in 2017/18. The funding is earmarked for infrastructure development, the acquisition of land and buildings, and the renovation or refurbishment of state owned infrastructure.<sup>16</sup>

### 2.3.1 EXPENDITURE TRENDS FOR DEPARTMENTAL PROGRAMMES

Table 1<sup>17</sup>

Budget Vote 6: International Relations and Cooperation				
Data Input	Medium-term expenditure estimate			
R million				
Programme	Budget			
	2014/15	2015/16	2016/17	2017/18
Programme 1:	1 428.4	1 418.5		
Programme 2:	3 056.8	2 931.7		
Programme 3:	484.8	466.9		
Programme 4:	309.3	246.3		
Programme 5:	825.0	635.2		
<b>TOTAL</b>	<b>6 104.3</b>	<b>5 698.6</b>		

<sup>15</sup> National Treasury Estimates of National Expenditure 2015

<sup>16</sup> Ibid

<sup>17</sup> Figures reflected in this table are obtained from the Estimates of National Expenditure 2015



**Table 2<sup>18</sup>**

Programme	Budget				Nominal Rand change	Real Rand change	Nominal % change	Real % change
	2014/15	2015/16	2016/17	2017/18				
R million								
Programme 1:	1 428.4	1 418.5	1 468.7	1 535.3	- 9.9	- 74.9	-0.69 per cent	-5.24 per cent
Programme 2:	3 056.8	2 931.7	3 131.4	3 304.0	- 125.1	- 259.4	-4.09 per cent	-8.49 per cent
Programme 3:	484.8	466.9	483.5	512.2	- 17.9	- 39.3	-3.69 per cent	-8.10 per cent
Programme 4:	309.3	246.3	256.4	270.7	- 63.0	- 74.3	-20.37 per cent	-24.02 per cent
Programme 5:	825.0	635.2	603.5	921.1	- 189.8	- 218.9	-23.01 per cent	-26.53 per cent
<b>TOTAL</b>	<b>6 104.3</b>	<b>5 698.6</b>	<b>5 943.5</b>	<b>6 543.3</b>	<b>- 405.7</b>	<b>- 666.7</b>	<b>-6.65 per cent</b>	<b>-10.92 per cent</b>

Table 1 illustrates the medium term expenditure estimates for each programme for the years 2014/15 and 2015/16. Table 2 describes the changes in allocations from the years 2014/15 and 2015/16. From this the following can be concluded. For programme 1: Administration, the nominal change is -0.69 per cent and the real change is -5.24 per cent. Programme 2: International Relations has a nominal change of -4.09 per cent and the real change of -8.49 per cent. It must be noted that in previous years the Department had four programmes, however the department has split its International Relations and Cooperation Programme into two programmes namely: Programme 2: International Relations and Programme 3: International Cooperation. Programme 3: International Cooperation, had a nominal change of -3.69 per cent and a real change of -8.10 per cent. Programme 4: Public Diplomacy and Protocol Services experiences a nominal change of -20.37 per cent and a real change of -24.02 per cent. Finally, Programme 5: International Transfers experiences a nominal change of -23.01 per cent and a real change of -26.53 per cent.

Overall, the budget allocation for the department declines by R405.7 million in 2015/16 from the previous financial year. As a result, the reduction is effected to all five programmes in 2015/16.

<sup>18</sup> Figures reflected in this table are obtained from the Estimates of National Expenditure 2015



The reduced allocation to the Department is in line with fiscal adjustment announced in the 2014 Medium Term Budget Policy Statement that indicated that the aggregate national expenditure will be reduced by a total of R25 billion over the 2015 MTEF.<sup>19</sup> As part of this R25 billion reduction, national departments current spending will be reduced by R2.3 billion in 2015/16 and capital spending will be reduced by R280 million in 2015/16, mainly through decreasing budgets on non-core good and services and non-critical items of machinery and equipment.<sup>20</sup>

### **2.3.1.1 Programme 1: Administration**

The purpose of this programme is to develop the overall policy of the Department and manage its operations. The Strategic Objective of this programme is to achieve an efficient, effective, economical and fully capacitated Department.

According to the 2015 ENE, the Ministry Sub-programme adjusted appropriation was R6 million in 2014/15 with an expenditure estimate of R6.2 million in 2015/16. The Departmental Management Sub-programme adjusted appropriation was R15.6 million in 2014/15 with an expenditure estimate of R16.4 million in 2015/16. In addition, the Audit Services Sub-programme adjusted appropriation was R21.1 million in 2014/15 with an expenditure estimate of R19.8 million in 2015/16.<sup>21</sup>

The 2015 ENE also indicates that the Financial Management Sub-programme adjusted appropriation was R124.4 million in 2014/15 with an expenditure estimate of R131.0 million in 2015/16. The Corporate Services Sub-programme adjusted appropriation was R687.8 million in 2014/15 with an expenditure estimate of R642.6 million in 2015/16. The Diplomatic Training, Research and Development Sub-programme adjusted appropriation was R60.5 million which has an expenditure estimate of R66.5 million. In terms of the Foreign Fixed Assets Management Sub-programme, the adjusted appropriation was R221.3 million in 2014/15 which will increase to R223.8 million in 2015/16 in terms of the estimated expenditure. Finally, regarding the Office Accommodation Sub-programme, the adjusted appropriation was R282.9 million in 2014/15 which will increase to R312.2 million in 2015/16 in terms of the estimated expenditure.<sup>22</sup>

### **2.3.1.2 Programme 2: International Relations**

Purpose - Promote relations with foreign countries.

#### **Subprogrammes**

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<sup>19</sup> National Treasury Medium Term Budget Policy Statement 2014

<sup>20</sup> National Treasury Budget Review 2015

<sup>21</sup> National Treasury Estimates of National Expenditure 2015

<sup>22</sup> Ibid



- **Africa** embraces relevant national priorities by strengthening bilateral cooperation with individual countries in Africa, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value added industries and mineral beneficiation, and inbound tourism and skills enhancement.<sup>23</sup>
- **Asia and Middle East** embraces relevant national priorities by strengthening bilateral cooperation with individual countries in Asia and the Middle East, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value added industries and mineral beneficiation, and inbound tourism and skills enhancement.<sup>24</sup>
- **Americas and Caribbean** embraces relevant national priorities by strengthening bilateral cooperation with individual countries in the Americas and the Caribbean, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value added industries and mineral beneficiation, and inbound tourism and skills enhancement.<sup>25</sup>
- **Europe** embraces relevant national priorities by strengthening bilateral cooperation with individual countries in Europe, particularly through focusing on increasing exports of South African goods and services, foreign direct investment with technology transfers into value added industries and mineral beneficiation, and inbound tourism and skills enhancement.<sup>26</sup>

The spending focus over the medium term will continue to be on facilitating socioeconomic development by strengthening bilateral cooperation with individual countries, particularly throughout the rest of Africa, Europe, Asia and the Middle East.<sup>27</sup>

According to the 2015 ENE, while there were increases in expenditure between the Audited outcome figures in 2013/14 and the adjusted appropriation in 2014/15 for each subprogramme, there will be a reduction in expenditure for each sub-programme in 2015/16.

### 2.3.1.3 Programme 3: International Cooperation

Purpose - Participate in international organisations and institutions in line with South Africa's national values and foreign policy objectives.

#### Objectives

<sup>23</sup> National Treasury Estimates of National Expenditure 2015

<sup>24</sup> Ibid

<sup>25</sup> Ibid

<sup>26</sup> Ibid

<sup>27</sup> Ibid





- Contribute towards a reformed, strengthened and, multilateral system that is based on equal rules and that will be responsive to the needs of developing countries and Africa, in particular, by participating in the global system of governance on an ongoing basis.
- Strengthen the African Union (AU) by
  - providing ongoing financial support for the operations of the Pan African Parliament in terms of the country host agreement.
- Improve governance and capacity in the SADC secretariat on an ongoing basis by implementing the secretariat's job evaluation plan and assisting with the recruitment process on an ongoing basis.
- Contribute towards the New Partnership for Africa's Development process for socioeconomic development in Africa by participating in the African Peer Review Mechanism and submitting the African Peer Review Mechanism country report when required.
- Strengthen bilateral, trilateral and multilateral interest and relations within the Brazil-Russia-India-China South Africa group of countries dialogue forum through continuous active participation in forum structures.
- Strengthen political solidarity, economic cooperation and socio-cultural relations with Asian countries by participating in the New Asian-African Strategic Partnership structures over the medium term.<sup>28</sup>

### Subprogrammes

- **Global System of Governance** provides for multilateralism and a rules based international order. This entails participating and playing an active role in all forums of the UN system and its specialised agencies, and funding programmes that promote the principles of multilateral activity.<sup>29</sup>
- **Continental Cooperation** provides for the enhancement of the African Agenda and sustainable development.<sup>30</sup>
- **South-South Cooperation** provides for partnerships with countries of the South in advancing South Africa's own development needs and the needs of the African Agenda; and creates political, economic and social convergence for the fight against poverty, underdevelopment and the marginalisation of the South.<sup>31</sup>
- **South-North Dialogue** provides for South Africa's bilateral and multilateral engagements to consolidate and strengthen relations with organisations of the North to advance and

<sup>28</sup> National Treasury Estimates of National Expenditure 2014

<sup>29</sup> Ibid

<sup>30</sup> Ibid

<sup>31</sup> Ibid



support national priorities, the African Agenda and the developmental agenda of the South.<sup>32</sup>

The bulk of the spending over the medium term towards achieving this programme's strategic objectives occurs in the Global System of Governance and Continental Cooperation subprogrammes, mainly on compensation of employees, operating leases payments, and travel and subsistence.<sup>33</sup>

According to the 2015 ENE, while there were increases in expenditure between the Audited outcome figures in 2013/14 and the adjusted appropriation in 2014/15 for each subprogramme, there will be a reduction in estimated expenditure for each sub-programme in 2015/16. The North-South Dialogue sub-programme has an adjusted appropriation of R74.3 million in 2014/15 and an estimated expenditure R76.3 million in 2015/16

#### **2.3.1.4 Programme 4: Public Diplomacy and Protocol Services**

Purpose - Communicate South Africa's role and position in international relations in the domestic and international arenas, and provide protocol services.

##### Subprogrammes

- **Public Diplomacy** promotes a positive projection of South Africa's image; communicates foreign policy positions to both domestic and foreign audiences; and markets and brands South Africa by using public diplomacy platforms, strategies, products and services.<sup>34</sup>
- **Protocol Services** facilitates incoming and outgoing high level visits and ceremonial events, coordinates and regulates engagement with the local diplomatic community, provides protocol advice and support to the various spheres of government, facilitates the hosting of international conferences in South Africa, and manages state protocol lounges and guesthouses.<sup>35</sup>

According to the 2015 ENE, the Audited Outcome of the Public Diplomacy sub-programme was R74 million in 2013/14 and the adjusted appropriation was R62.8 million in 2014/15 which is a reduction for this sub-programme. The Public Diplomacy sub-programme will experience a further reduction in 2015/16 to a figure of R62.3 million. In the past the Committee has felt that the Public Diplomacy sub-programmes budget should increase to ensure that the foreign policy of South Africa is effectively communicated to the people of South Africa and the world thus raising concerns about the reductions expected in the sub-programme.

<sup>32</sup> National Treasury Estimates of National Expenditure 2015

<sup>33</sup> Ibid

<sup>34</sup> National Treasury Estimates of National Expenditure 2015

<sup>35</sup> Ibid



The Protocol Services Sub-programme had an adjusted appropriation of R246.5 million in 2014/15 which is an increase from the R207.6 million audited outcome of 2013/14. However, it is projected that the estimated expenditure for 2015/16 is R183.9 million which represents a decrease from 2014/15.

### **2.3.1.5 Programme 5: International Transfer**

Purpose - Fund membership fees and transfers to international organisations such as the UN, AU, and SADC.

#### **Subprogrammes**

- **Departmental Agencies** facilitates the transfer to the African Renaissance and International Cooperation Fund, a public entity of the department.<sup>36</sup>
- **Membership Contribution** facilitates transfers to international organisations.<sup>37</sup>

According to the ENE the spending focus for Programme 5 over the medium term will be on making transfers to the public entity and timely payment of South Africa's membership fees to international organisations. The adjusted appropriation for the Departmental Agencies Sub-programme was R285.6 million in 2014/15 and the estimated expenditure for 2015/16 is R154.0 million. This is the result of the reduction in the appropriation to the African Renaissance and International Cooperation Fund which will eventually be replaced by the South African Development Partnership Agency once the African Renaissance and International Cooperation Fund Act is repealed by the Development Partnership Fund Act.

The adjusted appropriation for the Membership Contribution subprogramme was R538 million in 2014/15 and the estimated expenditure for 2015/16 is R481.2 million. This sub-programme is very sensitive to currency exchange, the anticipated reduction could be the result of the once-off costs associated with hosting the next African Union Summit in June 2015.

## **3. Public entities and other agencies**

### **3.1 African Renaissance and International Cooperation Fund**

The African Renaissance and International Cooperation Fund was established under the African Renaissance and International Cooperation Fund Act (2001). The fund is mandated to:

- enhance cooperation between South Africa and other countries, in particular African countries;

<sup>36</sup> National Treasury Estimates of National Expenditure 2015

<sup>37</sup> Ibid



- promote democracy and good governance;
- work for the prevention and resolution of conflicts;
- promote socioeconomic development and integration; and
- provide humanitarian assistance and human resource development.<sup>38</sup>

The 2014 ENE had described the fund's strategic goals over the medium term including the following:

- continue to develop operational policy and guidelines;
- continue to build capacity to deal with urgent cases requiring humanitarian and/or emergency assistance;
- address concerns relating to the question of supply chain management and procurement, including finalising a database of approved service providers;
- address concerns relating to the monitoring and review of the implementation of projects, including increasing visits to projects in the countries concerned, and making more use of the department's bilateral desks for implementing projects, and the respective missions in the monitoring and follow up process; and
- support projects that contribute to South Africa's foreign policy priorities, particularly in relation to the consolidation of the African Agenda.<sup>39</sup>

The 2015 ENE does not provide the same clarity on what the Fund will prioritize over the medium term. However, the 2015 ENE does state that the Fund's total budget for 2015/16 is R154 million.<sup>40</sup>

#### 4. Issues for Committee Consideration

According to the 2015 ENE, the 2014-2019 medium term strategic framework tasks the Department with increasing the uptake of South Africa's quota in AU structures over the medium term from 30 per cent (8 of 27 posts filled) to 60 per cent (16 posts filled). What steps will the Department take to ensure that this goal is achieved?

The ENE states that the Department will remain involved in reviewing the SADC Regional Indicative Strategic Development Plan, as well as, conceptualising the process for establishing a Free Trade Area led by the Department of Trade and Industry (Dti). Have a clear terms of reference and a framework been established describing how the Department will work with Dti in developing the Free Trade Area?

According to the ENE, Cabinet approved budget reductions of R335.3 million in 2015/16, R467.1 million in 2016/17 and R168.5 million in 2017/18 are to be effected on non-essential goods and services, compensation of employees in relation to the African Renaissance and International Cooperation Fund. The ENE states that the Fund has sufficient cash reserves to absorb the impact of the reductions and its operations will not be affected. What projects will

<sup>38</sup> National Treasury Estimates of National Expenditure 2015

<sup>39</sup> National Treasury Estimates of National Expenditure 2014

<sup>40</sup> Ibid



the African Renaissance and International Cooperation Fund prioritize for the remainder of its operation?

When can the Committee expect the Foreign Services Bill to be tabled?

The Department spends approximately R575 million per year on leases where it does not own property. Can the Committee be provided with a list of these properties?

The ENE states that spending on infrastructure increased from R205.2 million in 2011/12 to R213.5 million in 2014/15, and is expected to increase to R223.7 million in 2017/18. The funding is earmarked for infrastructure development, the acquisition of land and buildings, and the renovation or refurbishment of state owned infrastructure. Which renovation and refurbishment projects will be prioritised in the 2015/16 financial year?

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