

Estimates of Public Expenditure

2009

Foreign Affairs

**National Treasury
Republic of South Africa**



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The *Estimates of Public Expenditure 2009* 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 certain instances, factual or numerical errors or inaccuracies published in the main Estimates of National Expenditure 2009 have been corrected in this version. In this version, more comprehensive coverage of transfers, public entities and lower level institutional information is provided where applicable. The “information contained in each chapter” section of the main Estimates of National Expenditure 2009 provides details on the content and structure of the discussion on each vote.

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Vote 3

Foreign Affairs

Budget summary

R thousand	2009/10				2010/11	2011/12
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	993 133	709 391	6 730	277 012	1 289 051	1 113 982
Foreign Relations	3 128 584	3 079 886	6 430	42 268	3 215 213	3 240 773
Public Diplomacy and Protocol	215 288	190 917	24 371	–	153 012	159 172
International Transfers	1 000 024	–	1 000 024	–	814 725	987 111
Total expenditure estimates	5 337 029	3 980 194	1 037 555	319 280	5 472 001	5 501 038
Executive authority	Minister of Foreign Affairs					
Accounting officer	Director-General of Foreign Affairs					
Website address	www.dfa.gov.za					

Aim

The aim of the Department of Foreign Affairs 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: Foreign Relations

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

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: 2009/10 – 2011/12

The overall mandate of the Department of Foreign Affairs is to meet South Africa's foreign policy objectives. The department carries out its mandate by: monitoring developments in the international environment; communicating government's policy positions; developing and advising government on policy options, mechanisms and avenues for achieving objectives; protecting the country's sovereignty and territorial integrity; assisting South African citizens abroad; and assisting partner departments in managing complex international dynamics.

South Africa's foreign policy is informed by the theoretical framework of the African Renaissance and is guided by the vision of a better life for all South Africans. Moreover, it is based on the following key global principles: that human rights are central to international relations and peace is a goal for which all nations should strive, with internationally agreed upon and non-violent mechanisms being employed where this breaks down; that justice and respect for international law should guide relations between nations; and that economic development depends on international integration and cooperation. As the interests of the African continent are central to South Africa's foreign policy, it is important that bilateral relations and development support are strengthened.

Key strategic priorities

The department's work is based on the following overarching priorities: consolidating the African Agenda, strengthening South-South cooperation, reinforcing North-South cooperation, participating in the global system of governance, and strengthening political and economic relations.

Consolidating the African Agenda

Over the MTEF period, South Africa's engagement in Africa will continue to contribute significantly to: 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.

Strengthening South-South cooperation

South Africa is currently not playing any leadership role in the groups of the South that are active in the United Nations (UN) system. However, it is centrally involved in the activities of organisations such as the Non-Aligned Movement and G77, and will continue to promote a coherent and integrated implementation of the UN development agenda, including internationally agreed development goals.

The India-Brazil-South Africa Dialogue Forum continues to be of strategic importance. Future events include the sixth India-Brazil-South Africa ministerial meeting and the fourth India-Brazil-South Africa Summit in Brazil in 2009, as well as South Africa's hosting of both the seventh India-Brazil-South Africa ministerial meeting and the fifth India-Brazil-South Africa Summit in 2010.

Strengthening North-South cooperation

South Africa will continue to engage with the G8 and the G5 outreach programmes, to promote the African Agenda and contribute to the development of a more equitable system of global governance.

South Africa is increasingly participating in the Organisation for Economic Co-operation and Development, following a decision by the organisation's ministerial council to give South Africa enhanced engagement status. South Africa is playing a key role in working towards the successful conclusion of the Doha negotiations, where liberalisation in the agricultural sector is a key objective.

Participation in the global system of governance

South Africa works actively towards global, political and socioeconomic stability and security within the multilateral system. It will thus continue to promote development, security, human rights and international law through its participation in international forums, notably the UN and its agencies.

Strengthening political and economic relations

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

Selected performance and operations indicators

Table 3.1 Foreign Affairs

Indicator	Programme	Past			Current	Projections		
		2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Total number of diplomatic missions abroad:	Foreign Relations	114	119	121	123	126	127	127
Africa		40	43	45	46	48	49	49
Asia and Middle East		29	31	31	33	33	33	33
Americas and Caribbean		18	18	18	18	18	18	18
Europe		27	27	27	27	27	27	27
Number of bilateral agreements signed with foreign countries	Foreign Relations	110	108	54	59	65	72	67
Number of countries assisted with post-conflict reconstruction and development per year	Foreign Relations	13	12	12	12	5	5	7
Number of countries assisted with democratic election processes per year	Foreign Relations	6	2	2	4	4	3	5
Number of incoming and outgoing visits facilitated per year	Public Diplomacy and Protocol	369	324	216	333	350	369	374
Number of people facilitated through the VIP lounges at the international airports (OR Tambo and Cape Town) per year	Public Diplomacy and Protocol	30 000	18 000	24 141	25 178	26 780	27 958	25 340
Number of international conferences hosted by South Africa per year	Public Diplomacy and Protocol	4	5	5	5	4	5	6
Number of foreign representatives in South Africa per year	Public Diplomacy and Protocol	278	282	285	285	286	287	289
Amount of membership fees for international organisations per year	International Transfers	R83.3m	R99.8m	R116.2m	R131.9m	R132.8m	R138.9m	R133.9m

Expenditure estimates

Table 3.2 Foreign Affairs

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
1. Administration	505 353	537 101	1 181 310	1 715 432	1 559 932	993 133	1 289 051	1 113 982
2. Foreign Relations	1 718 445	1 887 010	2 122 820	2 662 271	2 602 271	3 128 584	3 215 213	3 240 773
3. Public Diplomacy and Protocol	109 180	118 418	141 547	159 258	159 258	215 288	153 012	159 172
4. International Transfers	354 733	402 150	624 056	1 032 826	1 031 600	1 000 024	814 725	987 111
Total	2 687 711	2 944 679	4 069 733	5 569 787	5 353 061	5 337 029	5 472 001	5 501 038
Change to 2008 Budget estimate				1 229 079	1 012 353	174 414	531 595	652 700

Economic classification

Current payments	2 089 992	2 278 689	2 674 722	3 244 427	3 171 927	3 980 194	3 967 460	4 046 783
Compensation of employees	1 072 371	1 136 451	1 293 159	1 458 495	1 458 495	2 013 290	1 978 600	2 046 849
Goods and services	996 774	1 142 119	1 381 074	1 785 932	1 713 432	1 966 904	1 988 860	1 999 934
<i>of which:</i>								
Administrative fees	4 875	5 373	9 812	6 874	6 874	7 169	8 736	8 260
Advertising	5 640	5 978	7 246	7 689	7 689	8 777	11 353	10 113
Assets less than R5 000	4 689	5 241	3 190	5 876	5 876	6 716	8 184	7 739
Audit costs: External	2 683	3 237	5 597	6 512	6 512	6 925	7 341	7 554
Bursaries: Employees	890	502	567	984	984	984	1 130	1 114
Catering: Departmental activities	17 589	18 573	20 113	21 668	21 668	23 784	28 991	27 405
Communication	59 633	64 311	65 213	70 223	70 223	70 287	83 939	79 805
Computer services	11 514	8 073	61 737	33 459	33 459	27 852	32 775	33 978
Consultants and professional services: Business and advisory services	10 808	15 736	12 746	55 063	55 063	34 866	47 306	41 198
Entertainment	16 426	17 888	24 355	19 067	19 067	25 262	31 592	29 579

Table 3.2 Foreign Affairs (continued)

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R thousand								
<i>Inventory: Fuel, oil and gas</i>	–	–	–	–	–	1 700	1 954	1 924
<i>Inventory: Materials and supplies</i>	8 209	8 763	34 077	9 874	9 874	11 022	13 431	12 700
<i>Inventory: Other consumables</i>	1 298	1 457	3 596	1 695	1 695	6 374	7 593	7 392
<i>Inventory: Stationery and printing</i>	35 161	37 346	730	37 646	37 646	37 838	44 842	43 120
<i>Lease payments</i>	401 116	493 622	535 495	455 854	455 854	678 894	697 614	716 230
<i>Owned and leasehold property expenditure</i>	–	–	838	–	–	–	–	–
<i>Transport provided: Departmental activities</i>	124 427	114 560	–	130 538	130 538	141 563	145 046	151 440
<i>Travel and subsistence</i>	102 776	208 688	279 801	186 717	186 717	182 309	208 709	237 204
<i>Training and development</i>	11 464	6 791	3 373	8 087	8 087	9 675	11 119	10 949
<i>Operating expenditure</i>	161 558	108 698	259 898	610 134	537 634	557 294	515 125	494 243
<i>Venues and facilities</i>	16 018	17 282	52 690	117 972	117 972	127 613	82 080	77 987
<i>Financial transactions in assets and liabilities</i>	20 847	119	489	–	–	–	–	–
Transfers and subsidies	390 607	450 583	666 865	1 067 578	1 066 352	1 037 555	855 162	1 028 830
Provinces and municipalities	13 650	20 649	23 257	22 743	22 743	24 371	26 629	27 269
Departmental agencies and accounts	100 000	150 000	300 000	698 925	698 925	631 371	431 072	615 380
Public corporations and private enterprises	9 307	10 588	13 398	12 009	12 009	13 160	13 808	14 450
Foreign governments and international organisations	254 733	252 150	324 056	333 901	332 675	368 653	383 653	371 731
Households	12 917	17 196	6 154	–	–	–	–	–
Payments for capital assets	207 112	215 407	728 146	1 257 782	1 114 782	319 280	649 379	425 425
Buildings and other fixed structures	42 820	119 398	649 878	1 152 200	1 009 200	272 204	544 645	324 168
Machinery and equipment	129 974	92 573	61 149	105 582	105 582	47 076	104 734	101 257
Software and other intangible assets	34 318	3 436	848	–	–	–	–	–
Land and subsoil assets	–	–	16 271	–	–	–	–	–
Total	2 687 711	2 944 679	4 069 733	5 569 787	5 353 061	5 337 029	5 472 001	5 501 038

Expenditure trends

Between 2005/06 and 2008/09, expenditure grew from R2.7 billion to R5.6 billion at an average annual rate of 27.5 per cent. This growth was mainly due to: the head office campus project; increased contribution to the AU and the African Renaissance and International Cooperation Fund, which aims to finance the extension of peacekeeping and developmental initiatives in Africa; acquisition of properties to expand domestic and international property management portfolios; and improvements in the department's ICT infrastructure.

South Africa maintains diplomatic relations with countries and organisations through its missions abroad. As a result, the *Foreign Relations* programme accounts for approximately 59 per cent of the department's budget over the medium term. The bulk of expenditure for missions and bilateral relations is incurred in foreign currency and therefore exchange rate movements have a significant impact on the budget. In addition, the department increased its representation from 114 missions in 2005/06 to 123 missions in 2008/09, which also explains the increase in expenditure.

The department's budget is expected to decrease from R5.6 billion in 2008/09 to R5.5 billion in 2011/12, at an average annual rate of 0.4 per cent over the MTEF period. The expected decline in expenditure is due to once-off international conferences and summits taking place in 2009, such as the African Diaspora, the Non-Aligned Movement and SADC conferences, the completion of the head office campus in 2008/09, and the finalisation of the acquisition of foreign properties in Addis Ababa, Brussels, Maseru and New York.

The department receives an additional R2.1 billion over the MTEF period, which includes R90 million for the upgrade of ICT infrastructure, R375 million to accommodate new projects in the African Renaissance and International Cooperation Fund, R55 million for strengthening missions' capacity, R140.1 million for inflation related adjustments in compensation of employees, R98.9 million for inflation related adjustments in payments for capital assets, and R1.3 billion for foreign exchange adjustments.

Savings and reprioritisation

Over the MTEF period, efficiency savings of R388.6 million will be realised through cost containment measures, and a R319.5 million baseline reduction through focusing on improving efficiency and value for money, reducing wastage and ineffective public spending. Efficiency savings have been identified in the following areas:

- **Communication:** By implementing the ICT project and the voice over internet protocol, there will be savings on the cost of communication between the department and its missions.
- **Entertainment:** The representational duties conducted by missions abroad include entertainment at various levels. Measures will be put in place to ensure that this expenditure is kept at a minimum. This includes the celebrations abroad of South Africa's important events, such as National Day and Africa Day, and other functions that are hosted in the country by the ceremonial unit.
- **Travel costs:** The department will continue to review its travel policy and procedures in order to realise savings over the medium term.

Infrastructure spending

Infrastructure spending increased from R42.8 million in 2005/06 to R1.2 billion in 2008/09 at an average annual rate of 199.7 per cent. A significant portion of this increase in spending is due to the construction of the new head office campus, which had budget allocations of R350 million in 2007/08 and R665 million in 2008/09. In 2005/06 and 2006/07, construction projects were also initiated in the following foreign missions: Maseru (Lesotho), Addis Ababa (Ethiopia), Abuja (Nigeria), Dar es Salaam (Tanzania), Kigali (Rwanda), Lilongwe (Malawi), Mbabane (Swaziland) and Gaborone (Botswana)

Over the MTEF period, the budget will be used on the following projects:

- *Domestic properties:* The department initiated a project to procure a new head office campus through a public private partnership. Construction started in May 2007 with an early works contract. The project is set to be completed in 2009/10. The construction of the permanent accommodation for the Pan African Parliament through the Department of Public Works began in 2008/09 and is expected to be completed in 2010/11.
- *Foreign property acquisition:* The department will continue to implement recommendations from a feasibility study which prescribed increasing infrastructure spending in the form of chanceries, official residences or land to the value of R454 million over the medium term. The priority projects identified are as follows: Dar es Salaam (Tanzania), Kigali (Rwanda) Luanda (Angola), Geneva (Switzerland), New Delhi (India) and Lusaka (Zambia). The construction projects from previous years will also continue in Maseru (Lesotho), Bamako (Mali), Abuja (Nigeria), Gaborone (Botswana), Lilongwe (Malawi), Mbabane (Swaziland) and Luanda (Angola). R198 million has been budgeted for construction over the medium term.
- *Refurbishment projects* to the value of R127 million are planned for the MTEF period and will include the structural upgrading of buildings and lifts, electrical works and renovations. Refurbishments will be undertaken in Harare, The Hague, Bern, Madrid, 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 that relate 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 increase from R37.3 million in 2008/09 to R43.2 million in 2011/12, at an average annual rate of 26.4 per cent, due to value added tax refunds related to a projected increase in the operations of missions, interest received from mission bank accounts, and the sale of movable assets.

Table 3.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
Departmental receipts	42 164	46 282	65 056	21 401	37 307	39 173	41 131	43 189
Sales of goods and services produced by department	475	382	2 332	2 464	538	565	593	623
Sales of scrap, waste, arms and other used current goods	–	–	539	–	–	–	–	–
Interest, dividends and rent on land	2 080	3 131	2 116	5 343	6 630	6 962	7 310	7 676
Sales of capital assets	1 487	1 168	4 958	2 704	1 855	1 948	2 045	2 148
Financial transactions in assets and liabilities	38 122	41 601	55 111	10 890	28 284	29 698	31 183	32 742
Total	42 164	46 282	65 056	21 401	37 307	39 173	41 131	43 189

Programme 1: Administration

Expenditure estimates

Table 3.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Minister ¹	843	885	908	1 612	1 709	1 811	1 913
Deputy Ministers ¹	1 348	1 438	1 476	2 656	2 814	2 984	3 150
Management	50 525	46 622	62 098	81 849	76 879	79 254	81 382
Corporate Services	362 444	369 996	466 769	339 155	578 003	597 188	638 569
Foreign Service Institute	–	–	–	57 838	61 524	63 169	64 800
Foreign and Domestic Properties Management	90 193	118 160	650 059	1 232 322	272 204	544 645	324 168
Total	505 353	537 101	1 181 310	1 715 432	993 133	1 289 051	1 113 982
Change to 2008 Budget estimate				665 519	(516 937)	138 174	112 026

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.

Economic classification

	407 931	359 002	522 673	526 078	709 391	726 116	752 676
Current payments							
Compensation of employees	150 320	140 965	168 481	209 465	259 915	260 585	261 927
Goods and services	257 611	218 086	354 192	316 613	449 476	465 531	490 749
of which:							
Audit costs: External	2 683	3 237	5 597	6 512	6 925	7 341	7 554
Bursaries: Employees	890	502	567	984	984	1 130	1 114
Communication	23 665	22 853	24 724	26 221	27 344	31 427	30 944
Computer services	7 865	3 844	53 506	18 966	22 570	26 619	28 103
Consultants and professional services: Business and advisory services	7 529	3 724	8 357	33 690	28 628	39 916	33 764
Entertainment	1 070	1 539	368	1 719	2 731	3 136	3 618
Inventory: Fuel, oil and gas	–	–	–	–	1 700	1 954	1 924
Inventory: Other consumables	1 298	1 457	3 596	1 695	1 962	2 216	2 309
Inventory: Stationery and printing	7 277	2 890	106	5 816	6 967	8 070	7 818
Lease payments	56 335	55 225	74 725	71 674	173 441	159 236	161 263
Transport provided: Departmental activities	34 994	43 592	–	49 703	51 303	59 107	61 401
Travel and subsistence	27 387	60 374	76 021	18 077	19 706	25 635	26 935
Training and development	11 464	6 791	3 353	8 087	9 675	11 119	10 949
Operating expenditure	74 309	10 651	98 751	70 897	92 842	85 471	109 816
Venues and facilities	845	1 407	4 521	2 572	2 698	3 154	3 237
Financial transactions in assets and liabilities	–	(49)	–	–	–	–	–

Table 3.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Transfers and subsidies	6 891	7 079	8 345	6 335	6 730	6 956	7 315
Provinces and municipalities	460	97	50	–	–	–	–
Public corporations and private enterprises	5 429	5 585	7 245	6 335	6 730	6 956	7 315
Households	1 002	1 397	1 050	–	–	–	–
Payments for capital assets	90 531	171 020	650 292	1 183 019	277 012	555 979	353 991
Buildings and other fixed structures	42 820	118 160	629 598	1 152 200	272 204	544 645	324 168
Machinery and equipment	13 434	49 457	3 725	30 819	4 808	11 334	29 823
Software and other intangible assets	34 277	3 403	698	–	–	–	–
Land and subsoil assets	–	–	16 271	–	–	–	–
Total	505 353	537 101	1 181 310	1 715 432	993 133	1 289 051	1 113 982

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	460	97	50	–	–	–	–
Regional Services Council levies	460	97	50	–	–	–	–
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	5 429	5 585	7 245	6 335	6 730	6 956	7 315
Insurance on vehicles	5 429	5 585	7 245	6 335	6 730	6 956	7 315
Households							
Social benefits							
Current	1 002	1 397	1 050	–	–	–	–
Social benefits	1 002	1 397	1 050	–	–	–	–

Expenditure trends

Expenditure increased from R505.4 million in 2005/06 to R1.7 billion in 2008/09, at an average annual rate of 50.3 per cent, with the most significant growth reflected in the *Foreign and Domestic Property Management* subprogramme, at an average annual rate of 139.1 per cent. The growth over this period was due to expenditure on the head office campus project and an increase in the foreign portfolio budget as the department started with the acquisition of foreign property. Spending on buildings and other fixed structures included the foreign properties portfolio that increased from R42.8 million in 2005/06 to R342 million in 2008/09.

Over the MTEF period, expenditure in the *Administration* programme decreases at an average annual rate of 13.4 per cent due to the completion of the head office campus in 2008/09, and the reduction in the foreign property acquisitions allocation from 2009/10.

Over the MTEF period, spending on goods and services is expected to grow at an average annual rate of 15.7 per cent as a result of lease payments that are set to increase from R71.7 million in 2008/09 to R161.3 million in 2011/12, at an average annual rate of 31 per cent.

Programme 2: Foreign Relations

- *Bilateral and Multilateral Relations Management* is the head office component responsible for developing and monitoring policy. It also provides support to the diplomatic missions abroad. The subprogramme represents 14 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 the South African missions worldwide. It is also the main cost driver of this programme and is the most affected by exchange rate fluctuations. Funding in this programme is mainly used for the day-to-day running of the missions.

Objectives and measures

- Strengthen the governance structures and capacity of the AU by:
 - mobilising support for harmonising and rationalising regional economic communities by including these objectives into the terms of reference of the ministerial committee on the Union government and the high level panel for the audit of the AU
 - supporting the operationalisation of the remaining organs of the AU, such as the African Court of Justice and financial institutions, by participating in task teams that drive these processes through the deliberations relating to the AU draft strategic migration policy
 - maintaining financial support for the operations and temporary accommodation of the Pan African Parliament over the MTEF period and constructing a new building by 2010/11.
- Support SADC and its structures financially by:
 - participating in key processes aimed at strengthening governance and capacity in the SADC secretariat in particular
 - working towards the full implementation of the regional indicative strategic development programme and the realisation of the SADC regional economic integration agenda through facilitating the implementation of the regional indicative development plan and the strategic implementation plan of the organ.
- Support the development of the African continent by:
 - facilitating the implementation of NEPAD projects in priority sectors through engaging line function departments in the implementation of NEPAD priority sectors within South Africa, the SADC region and the African continent
 - integrating NEPAD programmes in the AU and SADC processes through convening regular task team meetings at the level of deputy ministers to feed into the SADC task force
 - strengthening the African peer review mechanism through regular consultation with the Department of Public Service and Administration and relevant stakeholders on the rollout of the continental African peer review mechanism process.
- Increase foreign representation in Asia and Africa by:
 - establishing 3 new missions in Asia and 5 in Africa by 2010/11
 - implementing the trade, development and cooperation agreement with the European Union (EU).
- Strengthen South-South economic and political relations and cooperation by:
 - participating in the India-Brazil-South Africa Dialogue Forum through various sectoral working groups and ministerial meetings in preparation for annual summits
 - actively participating in the New Africa-Asia strategic partnership through various forums annually.
- 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.
- Promote South Africa and the continent's interests by participating in multilateral forums and the review of the World Conference against Racism in 2009.

Service delivery and spending focus

South Africa continued its focus on participating in the AU processes aimed at operationalising and strengthening the AU and its structures. To this end, South Africa supported the AU decision to adopt a common defence policy with a view to strengthen collective defence and security. The South African Defence Force was also involved in the launch of the SADC brigade.

The process of engaging the African diaspora continued in 2008/09 to enhance Africa's capacity to network with, attract and make use of all possible resources for developing both Africa and Africans in the African diaspora. Regional consultations took place in South Africa, Paris, Brasilia, London and Kingston.

In support of peace building and democratisation in the Democratic Republic of Congo, South Africa participated in the SADC post-conflict reconstruction technical assessment, the constitutional referendum, and SADC election observer missions in 2007, which resulted in relative peace and stability in the Democratic Republic of Congo. During 2007, South Africa also continued its involvement in post-conflict reconstruction and development in Sudan.

In relation to Zimbabwe, the department continued to assist with the implementation of the SADC mandate to encourage ZANU-PF and the two MDC formations to collectively discuss the country's political and economic challenges.

Relations with African counterparts were strengthened through structured bilateral mechanisms, high level visits and the finalisation and implementation of bilateral agreements in various fields, including trade, investment, mining and infrastructure.

South Africa continues to host the Pan African Parliament. As part of the host country agreement, a site has been identified for the construction of permanent accommodation for the Pan African Parliament.

During its tenure as an elected member of the UN Security Council (January 2007 to December 2008), South Africa played a key role with regard to issues such as the African Agenda and the security sector reform. South Africa influenced a large and diverse number of council outcomes, thereby enhancing its foreign policy objectives, and its role in conflict resolution and facilitation in Sudan, Côte d'Ivoire, Rwanda, Burundi, and the Democratic Republic of Congo.

During 2008, South Africa was also assigned leadership positions in the council, for example, as lead nation on Timor-Leste and heading a key security council mission to Africa. Moreover, it was instrumental in revitalising the debate on the relationship between the UN and regional organisations, as well as strengthening the coordination between the UN and the AU on Africa related issues.

As part of ongoing efforts to forge development partnerships with the North, South Africa participated in the SA-EU Troika to strengthen the existing framework for dialogue and cooperation between South Africa and the EU within the context of the trade, development and cooperation agreement.

To enhance relations between the African continent and the EU, South Africa participated in the EU-Africa Summit held in Lisbon in December 2007 and adopted the EU strategy for Africa. The strategy outlines a long term shared vision of the EU/Africa relations in the global context and marks a new phase in the EU-Africa partnership.

To strengthen South-South relations, South Africa continued to liaise with countries of the South through the Non-Aligned Movement, G77, China, and the India-Brazil-South Africa Dialogue Forum.

South Africa started preparations in 2007 for the celebration of 10 years of diplomatic relations with the Peoples' Republic of China. Celebrations started in April 2008 during which South African fashion, culture, jewellery, food and wine were showcased. South Africa hosted the second India-Brazil-South Africa Summit in October 2007 and participated in the third summit hosted in India in October 2008.

Over the MTEF period, the programme's expenditure focus will be on building and strengthening capacity in foreign missions, particularly in Africa.

Expenditure estimates

Table 3.5 Foreign Relations

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Bilateral Relations Management	304 752	307 033	348 091	437 960	392 870	414 661	405 394
<i>Africa</i>	195 440	162 351	240 611	284 376	175 552	191 266	175 797
<i>Asia and Middle East</i>	25 692	36 734	40 787	52 224	52 532	55 705	58 855
<i>Americas and Europe</i>	37 671	49 431	28 515	67 686	61 359	62 318	63 317
<i>Multilateral</i>	45 949	58 517	38 178	33 674	103 427	105 372	107 425
Diplomatic Representation	1 413 693	1 579 977	1 774 729	2 224 311	2 735 714	2 800 552	2 835 379
<i>Africa</i>	392 711	496 607	538 789	663 592	812 186	841 236	855 931
<i>Asia and Middle East</i>	331 165	364 437	389 699	486 122	547 207	564 246	577 812
<i>Americas and Europe</i>	621 201	621 376	768 863	971 774	1 246 410	1 259 790	1 242 228
<i>Multilateral</i>	68 616	97 555	77 378	102 823	129 911	135 280	159 408
Total	1 718 445	1 887 008	2 122 820	2 662 271	3 128 584	3 215 213	3 240 773
Change to 2008 Budget estimate				251 560	489 907	412 645	280 061

Economic classification

Current payments	1 590 018	1 825 466	2 048 542	2 582 935	3 079 886	3 114 961	3 162 204
Compensation of employees	885 633	948 565	1 073 248	1 183 780	1 684 880	1 648 347	1 713 167
Goods and services	683 538	876 733	974 805	1 399 155	1 395 006	1 466 614	1 449 037
<i>of which:</i>							
<i>Administrative fees</i>	4 875	5 373	9 812	6 874	7 169	8 736	8 260
<i>Advertising</i>	5 640	5 978	7 246	7 689	8 777	11 353	10 113
<i>Assets less than R5 000</i>	4 689	5 241	3 190	5 876	6 716	8 184	7 739
<i>Catering: Departmental activities</i>	17 589	18 573	20 113	21 668	23 784	28 991	27 405
<i>Communication</i>	34 089	39 029	37 969	41 634	41 050	51 023	47 299
<i>Computer services</i>	3 506	4 210	8 073	14 229	4 632	5 645	5 338
<i>Consultants and professional services: Business and advisory services</i>	1 785	11 889	4 094	19 604	4 053	4 939	4 670
<i>Entertainment</i>	15 356	16 349	23 226	17 348	22 531	28 456	25 961
<i>Inventory: Materials and supplies</i>	8 209	8 763	34 077	9 874	11 022	13 431	12 700
<i>Inventory: Other consumables</i>	–	–	–	–	4 412	5 377	5 083
<i>Inventory: Stationery and printing</i>	23 914	29 515	624	27 298	26 109	31 816	30 084
<i>Lease payments</i>	339 690	436 029	458 676	381 973	503 098	535 525	551 823
<i>Transport provided: Departmental activities</i>	79 210	62 130	–	69 414	74 153	78 210	81 054
<i>Travel and subsistence</i>	49 201	122 461	166 482	127 751	132 534	150 316	176 415
<i>Operating expenditure</i>	81 082	96 108	153 981	533 070	460 933	426 581	381 311
<i>Venues and facilities</i>	14 703	15 085	47 242	114 853	64 033	78 031	73 782
Financial transactions in assets and liabilities	20 847	168	489	–	–	–	–
Transfers and subsidies	13 098	18 241	17 089	5 674	6 430	6 852	7 135
Provinces and municipalities	490	107	6 771	–	–	–	–
Public corporations and private enterprises	3 873	5 003	6 153	5 674	6 430	6 852	7 135
Households	8 735	13 131	4 165	–	–	–	–
Payments for capital assets	115 329	43 303	57 189	73 662	42 268	93 400	71 434
Buildings and other fixed structures	–	1 238	32	–	–	–	–
Machinery and equipment	115 288	42 032	57 007	73 662	42 268	93 400	71 434
Software and other intangible assets	41	33	150	–	–	–	–
Total	1 718 445	1 887 010	2 122 820	2 662 271	3 128 584	3 215 213	3 240 773

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	490	107	6 771	–	–	–	–
Regional Services Council levies	490	107	6 771	–	–	–	–

Table 3.5 Foreign Relations (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	3 873	5 003	6 153	5 674	6 430	6 852	7 135
Insurance on vehicles	3 873	5 003	6 153	5 674	6 430	6 852	7 135
Households							
Social benefits							
Current	8 735	13 131	4 165	-	-	-	-
Social benefits	8 735	13 131	4 165	-	-	-	-

Expenditure trends

Expenditure grew at an average annual rate of 15.7 per cent from R1.7 billion in 2005/06 to R2.7 billion in 2008/09. Expenditure in this programme is significantly affected by exchange rate fluctuations, as foreign missions are funded by this programme.

The *Foreign Relations* programme has been responsible for hosting the Pan African Parliament since 2005/06. In 2005/06, the budget was R61.7 million and included the setting up costs for the temporary accommodation of the Pan African Parliament. Expenditure now averages R52 million per year. The increase in expenditure between 2005/06 and 2008/09 was also due to the expansion of foreign representation from 114 missions in 2005/06 to 123 missions in 2008/09. Other projects that contributed to the increase in 2008/09 included the African Diaspora Conference, the chairing of the SADC, and the SADC Summit.

Over the MTEF period, the budget increases at an average annual rate of 6.8 per cent, from R2.7 billion in 2008/09 to R3.2 billion in 2011/12, due to the additional allocation of R25 million in 2010/11 and R30 million in 2011/12 to enhance the capacity of missions.

Programme 3: Public Diplomacy and Protocol

- *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 and the facilitation of state visits, both incoming and outgoing.

Objectives and measures

- Provide logistical, media and communication support to the ministry through daily updates to missions abroad and timely international and local media briefings, conferences and interviews within 10 days of an event.
- Provide protocol and diplomacy services for the organisation and hosting of the African Diaspora Conference, the New Asia-Africa Strategic Partnership Summit, the NEPAD heads of state implementation committee, the annual AU foreign ministers' meeting, and for the chairing of the SADC Summit in 2009.

Service delivery and spending focus

In 2008, the new state protocol facilities at the OR Tambo International Airport and the Cape Town International Airport came into operation. Negotiations also began with the Airports Company of South Africa for the construction of protocol facilities at the new airport in La Mercy, Durban.

Over the MTEF period, the spending priorities of the programme will be: delivering an excellent presidential inauguration in 2009/10; implementing identified media liaison interventions; providing improved speech writing and other strategic communication services; implementing the marketing communication plan; managing and maintaining guesthouse and state protocol lounges; and improving the planning, execution and management of international state events.

Expenditure estimates

Table 3.6 Public Diplomacy and Protocol

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
Public Diplomacy	21 700	25 770	23 515	45 604	35 642	37 558	40 163
Protocol	87 480	92 648	118 032	113 654	179 646	115 454	119 009
Total	109 180	118 418	141 547	159 258	215 288	153 012	159 172
Change to 2008 Budget estimate				12 000	(8 744)	(11 102)	1 272

Economic classification

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Current payments	92 043	94 221	103 507	135 414	190 917	126 383	131 903
Compensation of employees	36 418	46 921	51 430	65 250	68 495	69 668	71 755
Goods and services	55 625	47 300	52 077	70 164	122 422	56 715	60 148
<i>of which:</i>							
Communication	1 879	2 429	2 520	2 368	1 893	1 489	1 562
Computer services	143	19	158	264	650	511	537
Consultants and professional services: Business and advisory services	1 494	123	295	1 769	2 185	2 451	2 764
Entertainment	–	–	761	–	–	–	–
Inventory: Stationery and printing	3 970	4 941	–	4 532	4 762	4 956	5 218
Lease payments	5 091	2 368	2 094	2 207	2 355	2 853	3 144
Owned and leasehold property expenditure	–	–	838	–	–	–	–
Transport provided: Departmental activities	10 223	8 838	–	11 421	16 107	7 729	8 985
Travel and subsistence	26 188	25 853	37 298	40 889	30 069	32 758	33 854
Training and development	–	–	20	–	–	–	–
Operating expenditure	6 167	1 939	7 166	6 167	3 519	3 073	3 116
Venues and facilities	470	790	927	547	60 882	895	968
Transfers and subsidies	15 885	23 113	17 375	22 743	24 371	26 629	27 269
Provinces and municipalities	12 700	20 445	16 436	22 743	24 371	26 629	27 269
Public corporations and private enterprises	5	–	–	–	–	–	–
Households	3 180	2 668	939	–	–	–	–
Payments for capital assets	1 252	1 084	20 665	1 101	–	–	–
Buildings and other fixed structures	–	–	20 248	–	–	–	–
Machinery and equipment	1 252	1 084	417	1 101	–	–	–
Total	109 180	118 418	141 547	159 258	215 288	153 012	159 172

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	12 700	20 445	16 436	22 743	24 371	26 629	27 269
Municipal rates and taxes for diplomatic missions	12 578	20 445	16 436	22 743	24 371	26 629	27 269
Regional Services Council levies	122	–	–	–	–	–	–
Public corporations and private enterprises							
Private enterprises							
Other transfers							
Current	5	–	–	–	–	–	–
Insurance on vehicles	5	–	–	–	–	–	–

Table 3.6 Public Diplomacy and Protocol (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Households							
Social benefits							
Current	3 180	2 668	939	-	-	-	-
Gifts and donations	2 716	-	-	-	-	-	-
Social benefits	464	2 668	939	-	-	-	-

Expenditure trends

The department has expanded its activities in the traditional area of diplomacy. The role of the *Protocol* subprogramme has increased significantly in the areas of incoming and outgoing state visits, as well as the hosting of international conferences.

Expenditure increased from R109.2 million in 2005/06 to R159.3 million 2008/09 at an average annual rate of 13.4 per cent, due to the significant increase in the number of incoming and outgoing state visits and the revamping of the state protocol lounges at the Cape Town and OR Tambo International Airports.

Spending in the *Protocol* subprogramme increases by 58.1 per cent in 2009/10 due to an allocation of R60 million for the presidential inauguration. Expenditure in this programme is expected to decrease marginally from R159.3 million in 2008/09 to R159.2 million in 2011/12.

Programme 4: International Transfers

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

Expenditure estimates

Table 3.7 International Transfers

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R thousand							
International Organisations	354 733	402 150	624 056	1 032 826	1 000 024	814 725	987 111
Total	354 733	402 150	624 056	1 032 826	1 000 024	814 725	987 111
Change to 2008 Budget estimate				300 000	210 188	(8 122)	259 341
Economic classification							
Transfers and subsidies	354 733	402 150	624 056	1 032 826	1 000 024	814 725	987 111
Departmental agencies and accounts	100 000	150 000	300 000	698 925	631 371	431 072	615 380
Foreign governments and international organisations	254 733	252 150	324 056	333 901	368 653	383 653	371 731
Total	354 733	402 150	624 056	1 032 826	1 000 024	814 725	987 111
Details of transfers and subsidies							
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	100 000	150 000	300 000	698 925	631 371	431 072	615 380
African Renaissance and International Cooperation Fund	100 000	150 000	300 000	698 925	631 371	431 072	615 380
Foreign governments and international organisations							
Current	254 733	252 150	324 056	333 901	368 653	383 653	371 731
African Union	104 993	85 019	110 434	122 922	153 476	159 041	152 119
Group of 77 Countries	10	100	99	105	110	115	115
India-Brazil-South Africa Trust Fund	6 008	5 443	10 064	7 378	7 717	8 065	8 065
New Partnership for Africa's Development	30 000	30 000	30 000	31 620	33 075	34 563	34 563
Organisation for Economic Cooperation and Development	-	-	295	216	226	236	236
Other international organisations	420	4 128	208	1 032	1 079	1 128	1 128
Gambian Government: Local office costs	-	-	-	211	220	230	230

Table 3.7 International Transfers (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
United Nations Development Programme: Local office costs	3 652	–	5 500	5 200	5 400	5 600	5 600
African, Caribbean and Pacific	1 916	3 058	3 192	3 650	3 796	3 948	3 948
Bureau of International Exposition	24	–	–	27	29	30	30
Commonwealth	6 335	7 006	8 113	17 745	8 563	9 399	9 399
Southern African Development Community	19 791	25 255	29 605	30 789	32 020	33 302	33 302
United Nations	54 643	64 326	86 127	79 381	88 093	91 894	86 894
United Nations Human Rights Council	617	148	–	316	331	346	346
Bacterial and Toxic Weapons Convention	–	–	–	458	480	501	501
Comprehensive Test Ban Treaty	3 854	2 379	2 909	5 518	5 772	6 032	6 032
Humanitarian Aid	18 167	17 801	34 046	24 072	24 857	25 660	25 660
Indian Ocean Rim Research Centre	–	–	81	133	139	145	145
Perrez-Guerrero Trust Fund	50	50	52	56	58	61	61
South Centre Capital Fund	1	495	1 045	1 107	1 158	1 210	1 210
United Nations Development Programme in Southern Africa	732	6 556	1 297	1 052	1 100	1 150	1 150
United Nations Technical Cooperation	105	218	–	105	110	115	115
United Nations Voluntary Fund for Disability	–	–	–	70	73	76	76
United Nations Children's Fund	3 415	168	370	211	220	230	230
United Nations Convention on the Law of Sea	–	–	619	527	551	576	576

Expenditure trends

Expenditure in this programme grew at an average annual rate of 42.8 per cent from R354.7 million in 2005/06 to R1 billion in 2008/09, due to the increase in the AU membership contribution and the recapitalisation of the African Renaissance and International Cooperation Fund. Contributions to the AU increased from R105 million in 2005/06 to R122.9 million in 2008/09 to provide for peacekeeping initiatives, while the allocation to the African Renaissance and International Cooperation Fund increased from R100 million to R698.9 million to fund post-conflict reconstruction and development initiatives in Africa, specifically in Burundi, the Democratic Republic of Congo and Zimbabwe.

The budget over the MTEF period decreases at an average annual of rate of 1.5 per cent from R1 billion in 2008/09 to R987 million in 2011/12. The 2009 budget includes an additional allocation of R150 million to the African Renaissance and International Cooperation Fund to increase its contribution to post-conflict reconstruction and development in Africa, and other humanitarian assistance initiatives.

Public entity

African Renaissance and International Cooperation Fund

Strategic overview: 2005/06 – 2011/12

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

In promoting democracy and good governance, the fund supports elections and institutional restructuring and the reform of government structures 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 the development of educational programmes, human resource development programmes, management training, and student bursaries. It assists foreign government representatives and officials to acquire skills in public service and administration, public finance management, government communication, international relations, intergovernmental relations, and judicial and security services, including police and correctional services.

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. The fund 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.

Selected performance and operations indicators

Table 3.8 African Renaissance and International Cooperation Fund

Indicator	Past			Current 2008/09	Projections		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Number of projects approved each year	4	11	6	9	9	10	15
Total value of projects	R60m	R392m	R352m	R698m	R449 m	R466m	R629m
Value of funds approved for support for free and fair elections in African countries each year	R23m	R278m	R96m	R506	R150 m	R170m	R78m
Value of funds approved for assistance in the prevention and resolution of conflict in African countries each year	R27m	R27m	R8m	R17m	R20m	R15m	R12m
Value of funds approved for humanitarian technical assistance and disaster relief in African countries each year	R10m	R10m	R22m	R150m	R200m	R196m	R189m
Value of funds approved for the implementation of bilateral development agreements between South Africa and other countries in Africa each	-	R12m	R35m	-	R20m	R30	R24m
Value of funds approved for educational development programmes and public service reform training in African countries each year	-	R27m	R176m	-	R30m	R30m	R185m
Value of funds approved for technical assistance and local economic development in African countries each year	-	R38m	R15m	R25m	R29m	R25m	R141m

Service delivery and spending focus

In 2007/08, the fund approved R10 million to assist Zimbabwe in its local, parliamentary and presidential elections.

The fund provided R31 million to assist the government of the Comoros in its presidential elections. A group of Comorian armed personnel, including the gendarmerie, was trained to provide security during elections, and a technical team of electoral experts was sent to assist the electoral commission.

The fund provided R14 million for the refurbishment and construction of the OR Tambo School of Leadership in Kawaweta, Uganda. The departments of public works, foreign affairs, defence and the Freedom Park Trust played a major role in this project.

Funding of R11.8 million was granted to support economic research programmes on the continent through the African Economic Research Consortium.

The fund funded a project in which, through Operation Bapisato, the South African Defence Force was mandated to destroy unexploded ordinance devices in Mozambique. The operation was expected to end in May 2007, but it continued into 2008, due to a change in mandate. The expanded scope involved the clearance and demolition of unexploded ordinances at the ammunition storage facility.

South Africa also provided R22 million to support the Regideso water supply corporation to assist the Democratic Republic of the Congo with water supply in the Katanga province.

To provide support for educational development programmes and public service reform training in Africa, the fund funded the following projects: R172.3 million for the trilateral cooperation with the Vietnamese government to facilitate knowledge and skills transfer for the efficient production of rice to the people of Guinea, and R10 million for training the Ugandan government security and protocol officials.

To continue with its work in Burundi, the fund continued to provide funding for the office of the peace facilitator.

South Africa continued to provide funding for humanitarian assistance in the Saharawi Arab Democratic Republic. R10 million was also granted in 2007/08 to support the removal of landmines and the establishment of a youth recreational centre.

Expenditure estimates

Table 3.9 African Renaissance and International Cooperation Fund: Financial information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Revenue							
Non-tax revenue	22 449	28 957	36 306	37 758	39 269	40 839	42 473
<i>Other non-tax revenue</i>	22 449	28 957	36 306	37 758	39 269	40 839	42 473
Transfers received	100 000	150 000	300 000	698 925	631 371	431 072	615 380
Total revenue	122 449	178 957	336 306	736 683	670 640	471 911	657 853
Expenses							
Current expense	33 186	392 421	-	-	-	-	-
Goods and services	33 186	392 421	-	-	-	-	-
Transfers and subsidies	59 850	392 421	352 172	698 925	631 371	426 415	615 380
Total expenses	93 036	784 842	352 172	698 925	631 371	426 415	615 380
Surplus / (Deficit)	29 413	(605 885)	(15 866)	37 758	39 269	45 496	42 473
Statement of financial position							
Receivables and prepayments	8 742	8 742	34 386	34 386	34 386	34 386	34 386
Cash and cash equivalents	350 987	205 804	466 983	485 662	505 089	525 292	546 304
Total assets	359 729	214 546	501 369	520 048	539 475	559 678	580 690
Accumulated surplus / deficit	273 195	60 831	44 965	82 723	121 992	167 488	209 961
Trade and other payables	86 534	153 715	456 404	437 325	417 483	392 190	370 729
Total equity and liabilities	359 729	214 546	501 369	520 048	539 475	559 678	580 690

Expenditure trends

The main source of funding for the African Renaissance and International Cooperation Fund is a transfer payment from the Department of Foreign Affairs, supplemented by interest from deposits with the Corporation for Public Deposits in the South African Reserve Bank.

The transfer increased at an average annual rate of 91.2 per cent between 2005/06 and 2008/09, rising from R100 million to R698.9 million. This was mainly due to the fund's intensified commitment to promoting peace and stability in Africa. The additional funds of R300 million allocated in the 2008 adjusted Budget to assist Zimbabwe with agricultural requirements also contributed to the increase.

Over the MTEF period, the transfer to the fund decreases from R631.4 million in 2009/10 to R615.4 million in 2011/12 due to the once-off allocation in 2009/10 of R225 million to support the reconstruction of Zimbabwe. The transfer in 2011/12 includes R150 million to increase the number of projects for promoting peace and stability in Africa.

Additional tables

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

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2007/08		2007/08	2008/09			2008/09
1. Administration	810 324	1 190 681	1 181 310	1 049 913	665 519	1 715 432	1 559 932
2. Foreign Relations	2 288 463	2 143 411	2 122 820	2 410 711	251 560	2 662 271	2 602 271
3. Public Diplomacy and Protocol	129 319	139 714	141 547	147 258	12 000	159 258	159 258
4. International Transfers	628 257	645 257	624 056	732 826	300 000	1 032 826	1 031 600
Total	3 856 363	4 119 063	4 069 733	4 340 708	1 229 079	5 569 787	5 353 061
Economic classification							
Current payments	2 760 847	2 675 152	2 674 722	2 980 867	263 560	3 244 427	3 171 927
Compensation of employees	1 478 959	1 312 837	1 293 159	1 456 935	1 560	1 458 495	1 458 495
Goods and services	1 281 888	1 362 315	1 381 074	1 523 932	262 000	1 785 932	1 713 432
Financial transactions in assets and liabilities	–	–	489	–	–	–	–
Transfers and subsidies	651 482	684 828	666 865	767 578	300 000	1 067 578	1 066 352
Provinces and municipalities	11 896	20 000	23 257	22 743	–	22 743	22 743
Departmental agencies and accounts	300 000	300 000	300 000	398 925	300 000	698 925	698 925
Public corporations and private enterprises	11 329	13 327	13 398	12 009	–	12 009	12 009
Foreign governments and international organisations	328 257	349 476	324 056	333 901	–	333 901	332 675
Households	–	2 025	6 154	–	–	–	–
Payments for capital assets	444 034	759 083	728 146	592 263	665 519	1 257 782	1 114 782
Buildings and other fixed structures	325 294	670 992	649 878	486 681	665 519	1 152 200	1 009 200
Machinery and equipment	118 740	88 091	61 149	105 582	–	105 582	105 582
Software and intangible assets	–	–	848	–	–	–	–
Land and subsoil assets	–	–	16 271	–	–	–	–
Total	3 856 363	4 119 063	4 069 733	4 340 708	1 229 079	5 569 787	5 353 061

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

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Permanent and full time contract employees							
Compensation (R thousand)	1 072 371	1 136 451	1 293 159	1 458 495	2 013 290	1 978 600	2 046 849
Unit cost (R thousand)	273	263	288	324	445	436	450
Personnel numbers (head count)	3 930	4 313	4 493	4 504	4 521	4 533	4 549
Personnel numbers (head count)	2	83	89	13	12	10	9
Total for department							
Compensation (R thousand)	1 072 371	1 136 451	1 293 159	1 458 495	2 013 290	1 978 600	2 046 849
Unit cost (R thousand)	273	259	282	323	444	436	449
Personnel numbers (head count)	3 932	4 396	4 582	4 517	4 533	4 543	4 558
Learnerships							
Payments for learnerships (R thousand)	4 000	4 025	4 000	4 000	4 120	4 410	4 760
Number of learnerships (head count)	39	79	42	42	45	50	53

Table 3.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation of employees (R thousand)	1 072 371	1 136 451	1 312 835	1 458 495	1 707 299	1 897 052	1 956 052
Training expenditure (R thousand)	2 937	4 025	13 128	8 087	12 417	14 433	14 101
Training as percentage of compensation	0.3%	0.4%	1.0%	0.6%	0.7%	0.8%	0.7%
Total number trained in department (head count)	1 095	1 117	1 139	1 139			
<i>of which:</i>							
Employees receiving bursaries (head count)	95	95	95	9			
Leaverships trained (head count)	39	79	42	42			

Table 3.D Summary of departmental public private partnership projects

Project description: Department of Foreign Affairs office campus		Project annual unitary fee at time of contract	Budgeted expenditure 2008/09	Medium-term expenditure estimate		
R thousand				2009/10	2010/11	2011/12
Projects signed in terms of Treasury Regulation 16		161 500	12 500	109 947	120 000	115 000
PPP unitary charge		161 500	12 500	109 947	120 000	115 000
Total		161 500	12 500	109 947	120 000	115 000

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Acquisition of suitable accommodation for Department of Foreign Affairs
Brief description	Office campus for Department of Foreign Affairs staff in Pretoria
Date public private partnership agreement was signed	Estimated date: February 2009
Duration of public private partnership 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 all its cost implications will be fixed at financial close, estimated to be in February 2009

Table 3.E Summary of expenditure on infrastructure

R thousand	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			
					2005/06	2006/07	2007/08		2008/09	2009/10	2010/11	2011/12
	Mega projects or programmes (over R300 million per year for a minimum of three years or R900 million total project cost)											
	Head Office Campus (early works agreement)							665 519				
	Large projects or programmes (costing between R50 million and R300 million per year within the MTEF period)											
	Refurbishment and maintenance at missions	Harare, Washington, London, Paris, The Hague, Bern, Munich, Copenhagen, Madrid and Kinshasa			8 226	43 144	70 761	78 000			137 300	186 168
	Pan African Parliament	Construction of building						145 000			384 000	138 000
	Small projects or programmes (costing less than R50 million per annum)											
	Maseru	Chancery and staff residence			14 594	22 566	35 940	15 000				
	Abuja	Chancery and staff residence				2 684	57 090	56 681				
	Dar es Salaam	Official residence						20 000			6 500	
	Addis Ababa	Chancery and staff residence			20 000	26 504	66 622					
	Dar es Salaam	Official residence				100	1 800					
	Kigali	Chancery and staff residence				100	2 166	18 000			5 500	
	Lilongwe	Official residence				100	935	17 000			15 500	
	Mbabane	Chancery and staff residence				200	2 450	20 000			28 000	
	Gaborone	Official residence				24 000	195	3 500			2 500	
	Bamako	Chancery and staff residence					200	17 500			25 000	
	Riyadh	Chancery and staff residence						6 000			18 500	23 345
	Nairobi	Chancery and staff residence						28 000				
	Luanda	Chancery						20 000			6 500	
	Geneva	Chancery									125 000	
	New Delhi	Chancery and staff residence						35 000				
	New Delhi	Official residence									5 500	
	Tokyo and New York	Chancery and staff residence					1 000	7 000				
	Kampala	Chancery									19 704	

Table 3.E Summary of expenditure on infrastructure (continued)

	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Medium-term expenditure estimate				
					2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	
R thousand												
Small projects or programmes (costing less than R50 million per annum)												
Lusaka	Chancery and staff residence	Acquisition of land	-	-	-	-	-	-	-	6 000	-	-
Addis Ababa	Official residence	Acquisition of official residence	-	-	-	-	-	-	-	8 000	-	-
Gaborone	Chancery	Acquisition of chancery	-	-	22 674	-	-	-	-	-	-	-
Bujumbura	Chancery	Acquisition of chancery	-	-	4 900	-	-	-	-	-	-	-
Riyadh	Chancery and staff residence	Acquisition of land	-	-	10 619	-	-	-	-	-	-	-
Brussels	Chancery	Acquisition of chancery	-	-	93 642	-	-	-	-	-	-	-
Total			-	-	42 820	119 398	670 994	1 152 200	272 204	544 645	324 168	