



**MINISTRY: PUBLIC SERVICE AND ADMINISTRATION  
REPUBLIC OF SOUTH AFRICA**

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Minister of Foreign Affairs  
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Dear Colleague

**COLLECTIVE AGREEMENT RESOLUTION 8 OF 2003 ON FOREIGN SERVICE  
DISPENSATION (FSD) AND IMPLEMENTATION OF ADJUSTED DETERMINATION**

I hereby wish to inform you that, in order to implement PSCBC Resolution 8 of 2003 (FSD Resolution), I have, in terms of section 3(3)(c), read with section 5(4), of the Public Service Act, 1994, made a determination regarding the conditions of service applicable to personnel serving at a foreign mission abroad with effect from 1 December 2003. This Determination is binding and not a guideline.

The FSD Resolution became effective on 1 December 2003, and is to be implemented as follows:

Those officials, who receive a negative adjustment in the allowances and benefits in terms of the new FSD, will retain their allowances and benefits on a personal basis in terms of the old FSD for the period they are attached to the particular mission. Once these officials are transferred back to Head Office in the RSA and are again transferred to a mission or transferred directly to another mission, they shall be compensated in terms of the new FSD. Should the benchmark of the Cost of Living Allowance for the FSD be adjusted, after date of implementation of the new FSD, with the result that the allowances and benefits payable to officials still compensated in terms of the old FSD now become more favourable, such officials will translate to the new FSD with effect from date of adjustment.

Officials, who receive a positive adjustment in allowances and benefits in terms of the new FSD, on date of implementation, will be translated to the new FSD.

New appointees to missions, including officials transferred to another mission, will be appointed in terms of the new FSD.

I have noted that the existing appointment letter issued by your Department contains a clause that contractually binds your Department and other affected departments to a six-month notification period regarding contractual amendments to service conditions. Notwithstanding this clause, Clause 5.6 of Resolution 8 of 2003 indicates that the said agreement supersedes all previous agreements and arrangements regarding the FSD and therefore the said clause is not applicable. Further, it is now necessary to remove this clause from the letter of appointment as the 6-month notification period is no longer practical in view of the changing dynamics associated with the new FSD in terms of fluctuations to CPI figures both in the RSA and abroad, fluctuations in terms of exchange rates, the need to re-classify countries depending on hardship conditions and also cost of living fluctuations. However, nothing prevents your Department from communicating with officials regarding necessary changes or amendments that relate to the FSD.

Although I have previously approved and provided your Department with a FSD Guideline to facilitate the implementation of the new FSD, section 3(3)(c) of the Public Service Act, 1994, vests the power to make determinations regarding conditions of service, e.g. allowances, for a particular class of officials in the Public Service, in the Minister for the Public Service and Administration (MPSA), hence I now issue a revised document as a determination in this regard.

In view of the fact that there is no provision or delegation of the authority vested in me to another Minister, all determinations in this regard will be made by me, though your role and responsibility still relate to making sure that there are relevant systems and mechanisms to administer the dispensation and to propose appropriate benchmark levels.

The Mandate Committee decided on 22 October 2003 that the expenditure emanating from the implementation of the new FSD must be defrayed from departmental budgets. National Treasury indicated that no additional funds would be allocated for this purpose.

Finally, I have been informed that your Department will convene a meeting of the Foreign Service Dispensation Co-coordinating Committee to present this Determination to affected departments. Officials of my Department may be called upon to assist with this process, if required.

Kind regards

*G. J. Fraser-Moleketi*  
GERALDINE J FRASER-MOLEKETI  
MINISTER

*2/11/04*