



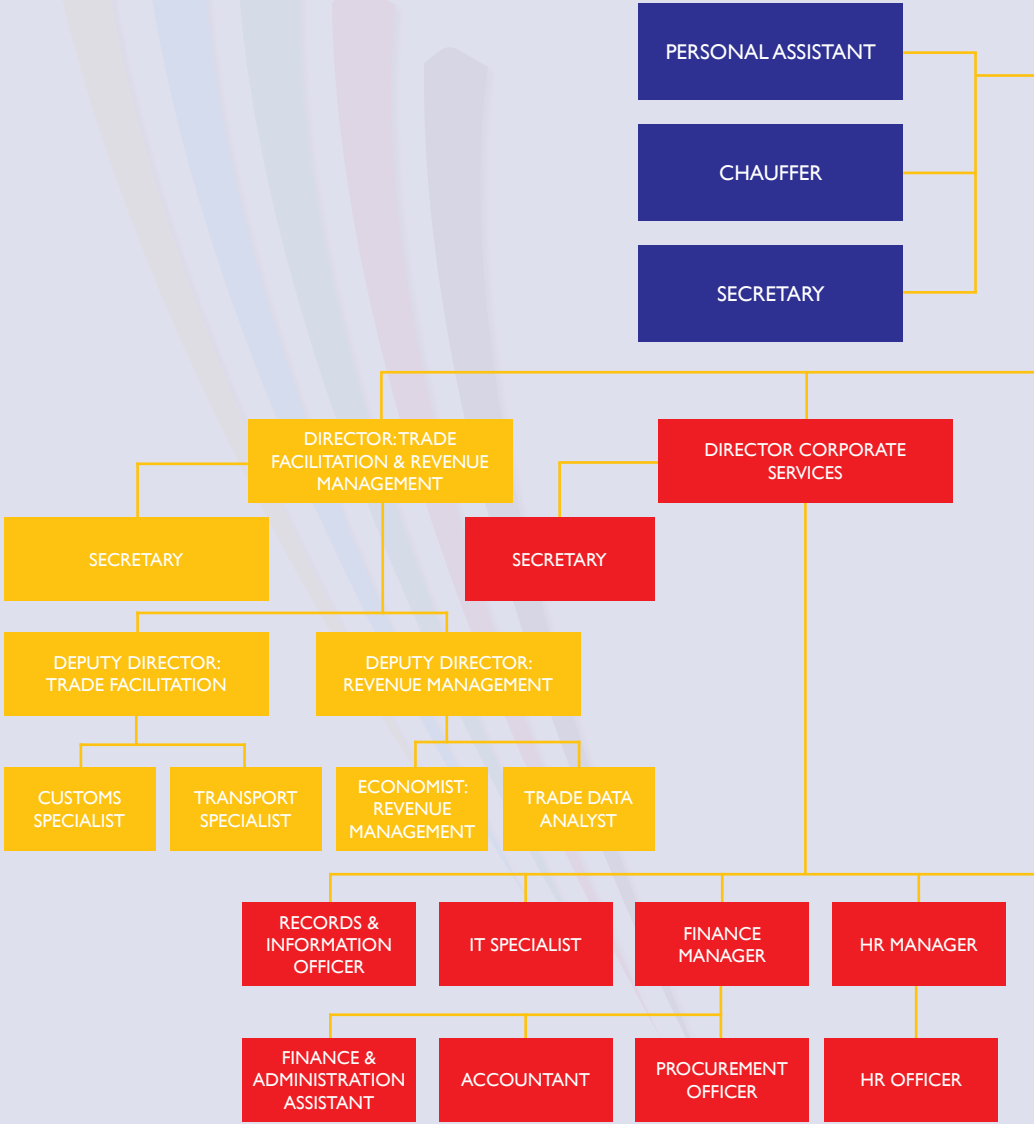
Since 1910
SACU

SOUTHERN AFRICAN CUSTOMS UNION

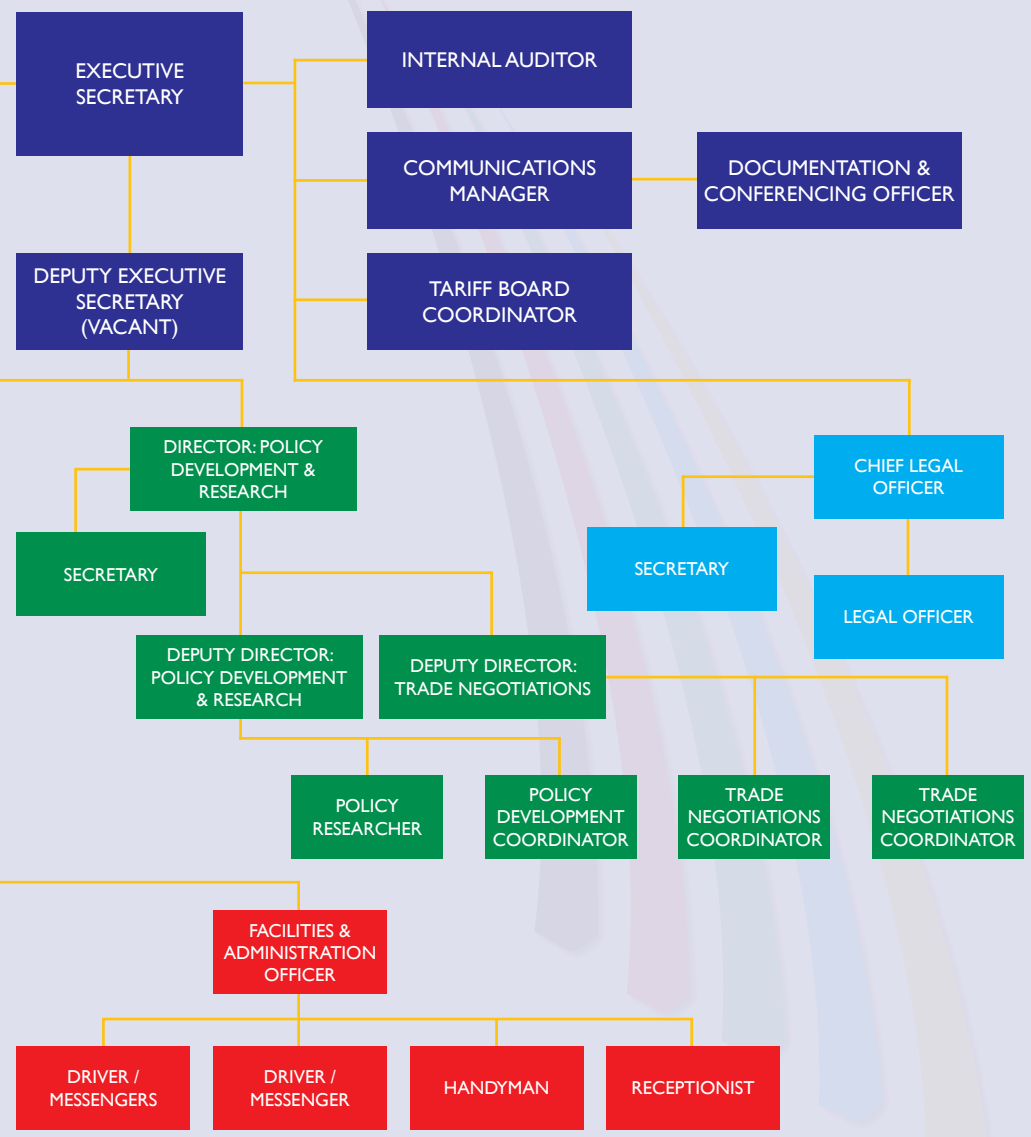


**SACU Secretariat
Information Brochure**

Organogram of the Southern



African Customs Union Secretariat



SACU Secretariat

The Secretariat is one of the permanent Institutions of SACU. It is based in Windhoek, Namibia and is headed by an Executive Secretary who is a citizen of a SACU Member State. The Secretariat is responsible for the day to day administration of SACU. It further coordinates and monitors the implementation of all decisions of the Summit, Council and the Commission.

The Secretariat also arranges meetings, disseminates information and keeps minutes of meetings of the institutions of SACU. In addition, the Secretariat assists in the harmonisation of national policies and strategies of the Member States in so far as they relate to SACU.

The Secretariat is also responsible for keeping a record of all transactions into and out of the Common Revenue Pool, and coordinating and assisting in the negotiation of trade agreements with third parties. The Secretariat is the depository of all records of SACU.

Purpose, Vision and Values

Our Purpose:

The SACU Secretariat exists to facilitate the achievement of the SACU objectives as outlined in the SACU Agreement, 2002. With neutrality and dedicated focus, we provide support for all SACU activities, thereby influencing the SACU agenda.

Our organisation offers expertise, consistency and continuity in the drive to promote regional integration for the benefit of all Member States.

By engaging with diverse, challenging regional and global issues, we grow ourselves and others with whom we work.

We make an innovative contribution through collaboration, professionalism and determination.



Our Vision:

To be a regional leader exemplifying the ideal practice of providing quality service to a Customs Union

Our Values:

• Visionary Leadership:

We recognize the need to set a vision in our respective areas of work that stretches our organizational focus beyond the immediate situation and out to a shared future.

• Trustworthiness:

We value honesty and we expect people to always treat one another professionally and with respect, leading to mutual trust.

• Performance-driven:

We value the willingness of people to be responsible and accountable for:

- The quality of their work;
- The importance of achieving positive results; and
- Their ability to meet or surpass expectations and manage resources entrusted to them in a cost effective and efficient manner.

• Integrity:

- We believe in exercising Integrity in all business dealings with; our trade partners; our business associates and our allies in serving our stakeholders.
- We treat them with respect, fairness and integrity at all times and expect the same in return.
- We will always take the high road by practicing the highest ethical standards, and by honouring our commitments.
- We will take personal responsibility for our actions, and treat everyone fairly and with trust and respect.



• **People Centered:**

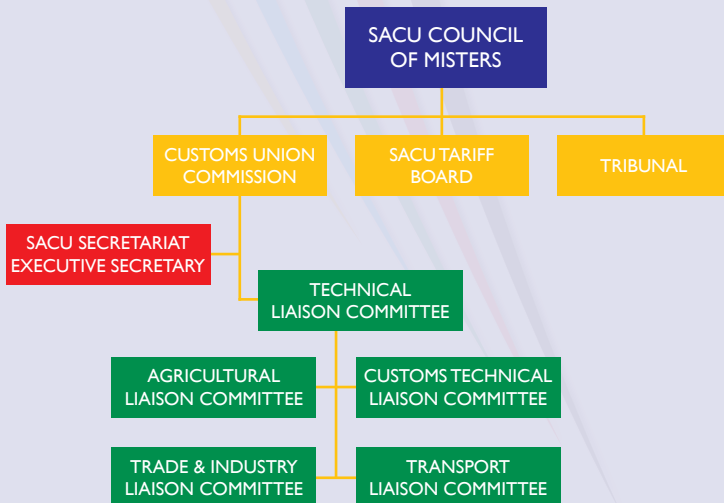
We are committed to an environment characterized by continuous learning, an entrepreneurial, can-do spirit and a team orientation. In addition, we are committed to an environment that is willing to allow for a healthy balance between our professional and personal lives. This commitment will enable us to attract and retain the best-qualified people and create a workplace which we can be proud of and where we can always enjoy our work, while seeking to carry out our Mission.

• **Working together:**

We recognize our strength and our competitive advantage is-- and always will be-- people. We value the skills, strengths, and perspectives of our diverse team. We will continually learn, and share ideas and knowledge. We will encourage cooperative efforts at every level and across all activities in our Organisation.

The Structure of SACU

–Where the SACU Secretariat sits in the structure



SACU Secretariat Directorates

Directorates

Currently the SACU Secretariat has five Directorates; the Executive Secretary's Office; the Trade Facilitation and Revenue Management Directorate; the Policy Development and Research Directorate; the Legal Services Unit; and the Corporate Services Directorate.

Executive Secretary Office

The role of the Executive Secretary's office is to facilitate and ensure the implementation of all decisions of the SACU Summit, SACU Council of Ministers and the SACU Commission. The Executive Secretary's Office provides strategic direction to the Secretariat and facilitates communication initiatives which will assist to position and promote SACU and enhance its image.

Trade Facilitation and Revenue Management (TFRM) Directorate

The TFRM Directorate is responsible for managing and coordinating the trade facilitation and revenue management function of the Secretariat. The key responsibilities of the Directorate include:

- To oversee the design and implementation of the key customs initiatives;
- To provide professional and technical support for the Revenue Management function in the Customs Union;
- To assist in the simplification and harmonization of customs policies and procedures; and
- To maintain a database on key economic indicators pertaining to SACU Member States.

Policy Development and Research (PDR) Directorate

The PDR Directorate is responsible for the following areas:

- Policy development and harmonization
- Multilateral and bilateral trade negotiations



Policy Development and Harmonization:

The PDR Directorate supports SACU in its policy development and harmonization initiatives as envisaged in Article 10.4; through assisting in the harmonization of national policies and strategies of SACU Member States.

Multilateral and Bilateral Trade Negotiations:

The PDR Trade Negotiations Unit in the Directorate provides support through coordination and assistance in the negotiation of trade agreements with third parties as envisaged in Article 10.8.

The obligations of SACU Members under the Multilateral and Bilateral Trade Negotiations function are contained in Part 5 of the SACU Agreement, dealing with Trade Liberalization, and specifically in Article 31 on Trade Relations with Third Parties.

Corporate Services (CS) Directorate

The Corporate Services Directorate comprises the sub-directorates of;

- Finance
- Human Resources
- Facilities and Administration
- Information Technology
- Records keeping

Legal Services Unit

The mandate of the Legal Services Unit is to provide legal services to the SACU Secretariat, the institutions of SACU and the SACU Member States. The functions of the Legal Services Unit include:

- Providing legal advice on the interpretation and implementation of the SACU Agreement, 2002, and its Annexes, to ensure that the provisions thereof are upheld;
- Preparing draft Annexes to the SACU Agreement, drafting amendments to the SACU Agreement and the Rules of Procedure for consideration by the relevant institutions of SACU;



- Providing legal advice and support to the SACU Member States on trade negotiations with regional and international trading partners, and on the drafting and implementation of such trade agreements;
- Undertaking research and analysis on legal topics and delivering opinions and technical papers for discussion by the relevant institutions of SACU;
- providing legal advice on the negotiation, drafting and interpretation of Contracts and other subsidiary legal instruments to ensure that the interests of the Organisation are protected;
- Administering the implementation of the Headquarters Agreement between the Government of the Republic of Namibia and SACU on the hosting of the SACU Headquarters in Namibia;
- Administering and managing the depositary procedures of the Agreements and Annexes concluded by the SACU Member States and deposited with the Executive Secretary of SACU; and
- Co-ordinating and servicing SACU's dispute resolution mechanism to ensure that the Organisation's legal responsibilities, obligations and mandates are effectively protected and upheld.

Internal Audit

Internal Audit provides oversight on corporate governance, compliance with international accounting standards, internal control and risk management. It is also responsible for evaluating internal policies and procedures.

SACU Work Programme

Trade Facilitation

There are currently six collaborative customs initiatives:

- Cooperation on information technology;
- Cooperation in improving border efficiencies;
- Cooperation in trader partnerships;
- Cooperation in customs enforcements;
- Cooperation in legislation; and
- One stop border posts



TFRM is currently working with the WCO to develop a Customs Reform and Modernization Program. It is anticipated that implementation of these initiatives will result in greater regional border efficiencies, thus;

- Reduce transactions costs in trade
- Create more predictable environment for conducting trade in SACU

Revenue Management

In the establishment of a Customs Union, a key decision which has to be made concerns the establishment of a mechanism for the collection and distribution of revenue from trade taxes.

Part Six of the SACU Agreement, 2002 establishes a Common Revenue Pool consisting of all customs, excise and additional duties collected in the Common Customs Area. Part Seven of the Agreement provides a formula for the determination of the respective shares of each Member State.

Annex I of the SACU Agreement, 2002, details the Revenue Sharing Formula that is used for determining each Member State's share out of the Common Revenue Pool. The Annex identifies the data that is required to apply the formula for determining revenue shares.

In practice, duties are collected by all Member States and transferred to the Common Revenue Pool on a quarterly basis. Each year, revenue shares are determined by the Council of Ministers and pay-outs to Member States are made on a quarterly basis.

Important initiatives in implementing the Revenue Management initiative as contained in the SACU Agreement, 2002 are:

- Trade Data
- Statistical Data Base
- Implementation of the new Revenue Formula
- Management of the Common Revenue Pool



Trade Data

The integrity of the key data, such as a county's GDP, population size; are important in the determination of Member States' customs share of the Common Revenue Pool.

In 2006 the auditing of intra-SACU trade data was undertaken. The audit focused on the processes and systems for the collection, compilation and submission of data to the SACU Secretariat for purposes of determining revenue shares. In particular, the audit considered definition issues, accounting (valuation) principles as well as the processes for collection, capture and collation of trade data.

Statistical Database

As part of an effort to improve policy decisions in SACU and better understand economic performance within the region, the Secretariat has initiated a process of developing an online economic and trade statistics database.

The objectives of the statistical database are:

- To serve as a central database system to manage time series statistical data
- A corporate platform for SACU Secretariat statistical data management
- To provide easy access to time series data to end user
- A tool to monitor the performance of the Union
- To inform the process of policy development and trade negotiations
- To support research and publication in the region

The statistical database covers the following domains: National Accounts, Balance of Payment; Government Financial Statistics; Monetary Financial Statistics, and Consumer Price Index.

The statistical database was launched to the public on 16 April 2012 and can be accessed via the SACU website or via <http://stats.sacu.int>



Implementation of the new Revenue Sharing Formula

The implementation of the new Revenue Sharing Formula as contained in the SACU Agreement, 2002 began in 2006. The new formula has the following components:

The Customs component:

Each Member State share of the customs component shall be calculated from the Cost Insurance Freight (CIF) value at border posts of goods imported from all other Member States into the area of each as a percentage of the total CIF value of intra –SACU imports.

The Excise Component:

Each Member State's share of the excise component shall be calculated from the value of its GDP in a specific calendar year as a percentage of total SACU GDP in such a year.

The Development Component:

The development component shall initially be set at 15% of the excise component, but shall be reviewed from time to time and will be adjusted if agreed to by all Member States.

Management of the Common Revenue Pool

As part of the implementation of Article 33 (1) of the SACU Agreement 2002, which stipulates that "A Member State or SACU Institution may be appointed to manage the Common revenue Pool", a study was commissioned in November 2006, to evaluate the options on the management of the Common Revenue Pool.

The SACU Council is yet to make a decision on the permanent arrangement for the management of the revenue pool option.

Policy Development & Research

The work of Policy Development and Research is divided into two areas: Trade Negotiations and Policy Development.



Trade Negotiations

One of the Objectives of the SACU Agreement 2002 provides for the promotion of the integration of Member States into the global economy through enhanced trade and investment.

There is the particular challenge of economic diversity and of uneven development within the SACU region and the key response to this challenge is for SACU Members to identify common interests on regional issues and global trade as well as the priority trade links that SACU should pursue, from which all SACU members can benefit.

The basic motivation for a global trade strategy for SACU is to achieve sustained economic growth on the basis of export and investment expansion, as articulated in the United Nations Millennium Development Goals.

The obligations of SACU Members under the Multilateral and Bilateral Trade Negotiations function are contained in Part 5 of the SACU Agreement 2002, dealing with Trade Liberalization, and specifically in Article 31 on Trade Relations with Third Parties.

Trade Liberalization

Trade Liberalization is contained in Part five of the SACU Agreement 2002. It covers the following areas:

- Free movement of Domestic Products within the SACU Region.
- Goods imported from outside the Customs Union.
- Customs Duties on Imported Goods
- Specific Excise and ad valorem Excise Duties and Specific Customs and ad valorem Customs
- Duties on Imported Goods of the Same class or Kind.
- Legislation Relating to Customs and Excise Duties
- Customs Cooperation
- Freedom of Transit
- Import and Export Prohibitions and Restrictions



- Protection of Infant Industries
- Rail Road Transport
- Technical Barriers to Trade
- Arrangements for Regulating the Marketing of Agricultural Products
- Sanitary and Phyto – Sanitary (SPS) Measures.

Trade Relations with 3rd Parties

Article 31 of the SACU Agreement 2002, states that no Member State shall enter into new preferential trade arrangements with third parties or amend existing arrangements without the consent of other member States.

Member States may maintain preferential trade and other related arrangements existing at the time of entry into force of the SACU Agreement 2002, in July 2004. To date concluded Trade Negotiations with 3rd parties that have upheld Article 31 of the SACU Agreement 2002, since it entered into force in 2004 are:

- SACU – EFTA FTA 2006
- SACU – MERCOSUR PTA 2009

Policy Development

For SACU to develop as a viable regional economic entity, progress is needed in the intra-SACU policy development and harmonization.

The focus for SACU on common policy development is contained in Part Eight of the SACU Agreement 2002, which deals with Common policies. Specific areas include industrial policies and strategies (Article 38), agricultural policies (Article 39), competition policies, laws and regulations (Article 40), and policies and instruments to address unfair trade practices (Article 41).

It also includes areas under Part Five of the Agreement such as harmonized technical regulations and product standards (Article 28) and sanitary and phytosanitary measures (Article 30).



NOTES

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For further information please contact



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