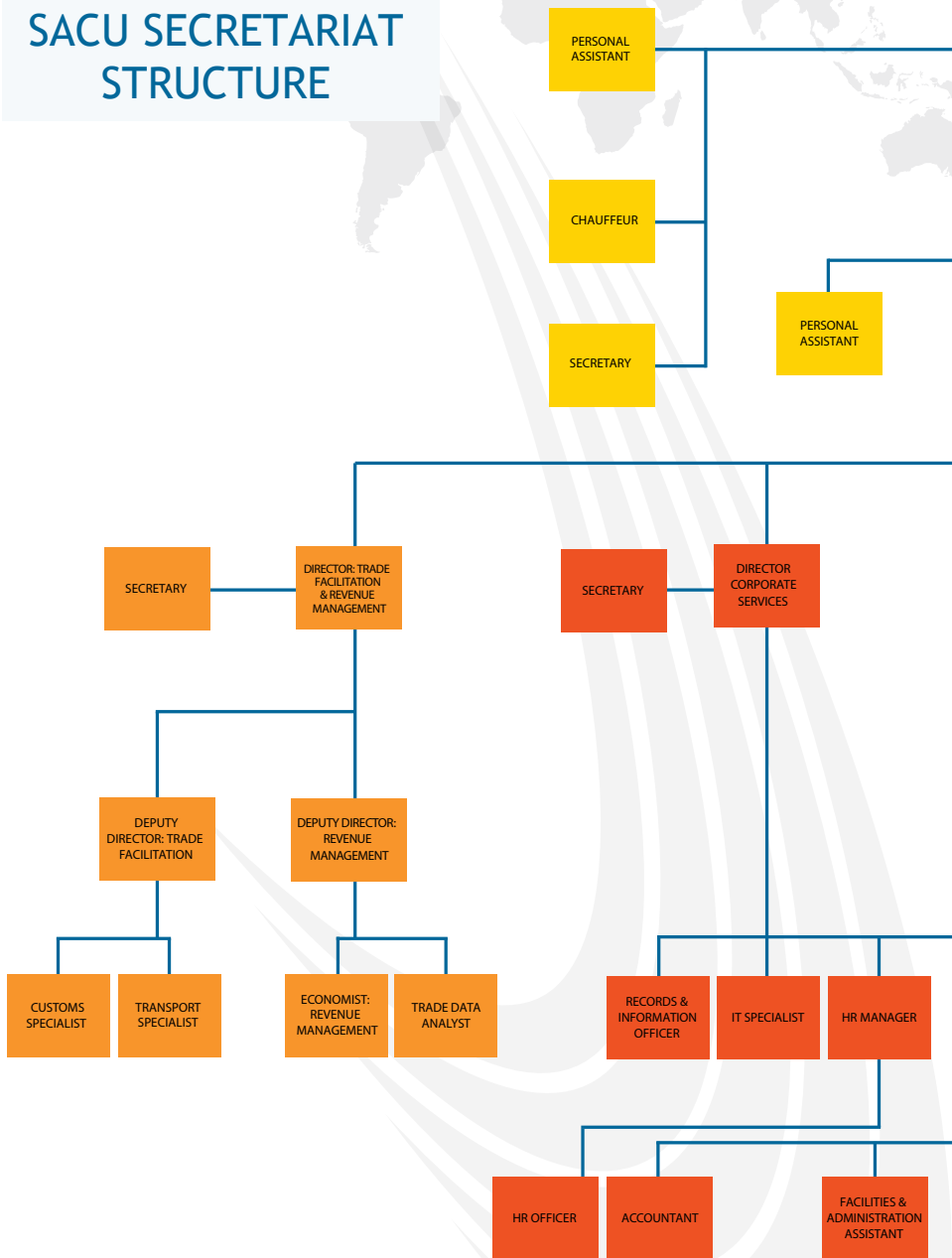
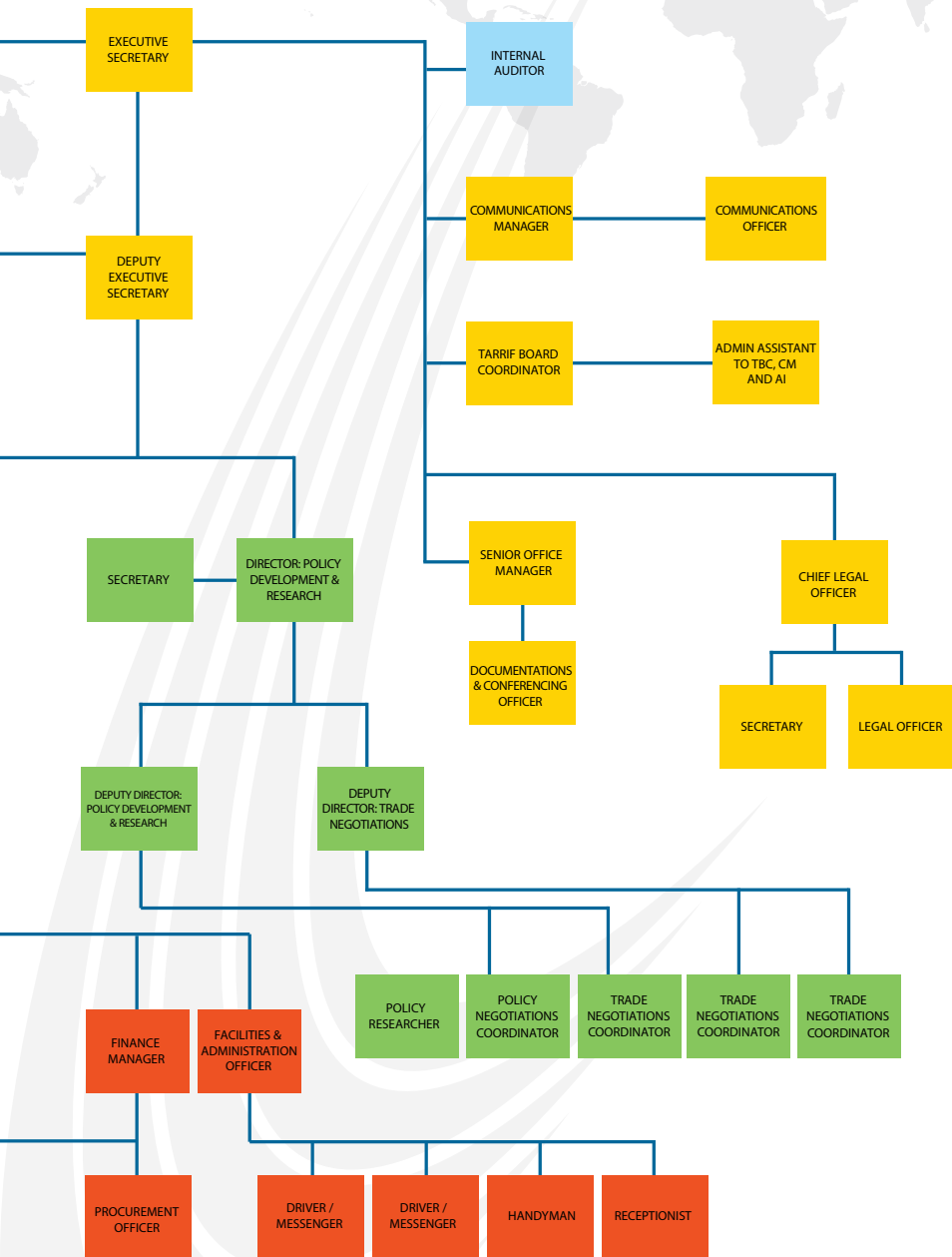




**SECRETARIAT INFORMATION
BROCHURE**

SACU SECRETARIAT STRUCTURE





SACU SECRETARIAT

The Secretariat is one of the 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 that are related 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.

The Secretariat facilitates the implementation of the SACU Agreement, 2002, and manages and creates visibility for the SACU Brand.

PURPOSE, VISION AND VALUES:

The 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, human empowerment is strengthened and growth of one is achieved exposure is experienced.

We make an innovative contribution through collaboration, professionalism and determination with other professionals of different entities in the industry.

OUR VISION:

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

OUR VALUES:

1. VISIONARY LEADERSHIP

To 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.

2. TRUSTWORTHINESS

To value honesty with an expectation to always treat each other with respect and mutual trust.

3. PERFORMANCE-DRIVEN

To 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.

4. INTEGRITY

- To believe in exercising integrity in all our business dealings.
- To treat our stakeholders with respect and fairness at all times.
- To practice and display the highest ethical standards by honouring our commitments.
- To be accountable and responsible for our actions.

5. PEOPLE CENTERED

To be committed to an environment characterized by continuous learning and team orientation.

SACU SECRETARIAT DIRECTORATES

Currently the SACU Secretariat has four Directorates;

- Executive Secretary's Office
- Trade Facilitation and Revenue Management Directorate
- Policy Development and Research Directorate
- Corporate Services Directorate.

1. 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 brand and enhance its image.

Legal Services

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

The Internal Audit is established by the Council and its responsibilities are defined by the Finance & Audit Committee as part of their oversight function. The mission of the Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the Secretariat and all SACU institutions operations. It helps the Secretariat and other SACU institutions accomplish their objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Responsibilities:

- Develop a flexible annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Finance and Audit Committee for review and approval.
- Implement the annual audit plan, as approved, including, and as appropriate, any special tasks or projects requested by management and the Finance and Audit Committee.
- Maintain a professional audit unit with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Establish a quality assurance program by which the Internal Auditor assures the operations of internal auditing activities.
- Perform consulting services to assist management in meeting its objectives. Examples may include facilitation, process design, training, and advisory services.
- Evaluate and assess significant merging/consolidation functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to the Finance and Audit Committee and management summarizing results of audit activities.
- Keep the Finance and Audit Committee informed of emerging trends and new development in the internal auditing profession.

- Provide a list of significant measurement goals and results to the Finance and Audit Committee.
- Assist in the investigation of significant suspected fraudulent activities within the Secretariat and other SACU institutions and notify management and the Finance and Audit Committee of the results.
- Consider the scope of work of the external auditors and regulators, as appropriate, for the purpose of providing optimal audit coverage to the Secretariat and other SACU institutions at a reasonable over-all cost.

Communication

The mandate of Communications is to ensure efficient and functional external and internal communication functions. It is to create visibility for the SACU brand and position SACU as a leading economic driver in the communities. The following are the objectives to be achieved by Communications:

- To promote the image and integrity of SACU as an international organisation
- To enhance teamwork and provide communications services support to other directorates
- To promote and drive the delivery of strategic objectives of the organisation
- To establish, direct and coordinate SACU Stakeholders Engagement with external stakeholders
- To promote and ensure adherence and compliance to policies and procedures of the Secretariat
- To identify and direct information dissemination
- To create platform for SACU to create a legacy of sustainability in the community that we operate in.
- Communications develop and drives the SACU communication strategy and implements it in Member States.

2. TRADE FACILITATION AND REVENUE MANAGEMENT DIRECTORATE

Overview

Multilateral and Bilateral Trade Negotiations

The obligations of SACU in Multilateral and Bilateral Trade Negotiations are contained in Part 5 of the SACU Agreement, 2002, dealing with Trade Liberalisation, and specifically in *Article 31 on Trade Relations with Third Parties*. This calls for SACU Member States to negotiate trade agreements with third parties as a bloc, by virtue of them being in a Customs Union with a common external tariff.

The Trade Negotiations' Unit in the Policy Development & Research Directorate will support SACU in this function through coordination and technical assistance in the negotiation of trade agreements with third parties as envisaged in Article 10.8 of the SACU Agreement, 2002.

- SACU-WCO Customs Development Programme
- Framework of the SACU SAD Manual
- SACU Customs Policy
- Revenue Management
- SACU Tariffs
- SACU Trade Remedies

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 **2002 SACU Agreement** 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 1 of the **2002 SACU Agreement** 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 payouts to Member States are made on a quarterly basis. Important initiatives in implementing the Revenue Management initiative as contained in the **2002 SACU Agreement** 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 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

In order to facilitate the collection of data from Member States, the Secretariat has developed a template for the preparation of Economic Background Papers. This template specifies both qualitative and quantitative information analyzing economic performance in each Member State. During the year, Economic Background Papers are received from all Member States. In addition, a template for the submission of intra-SACU trade data has been developed for use by the Member States.

Implementation of the new Revenue Sharing Formula

The implementation of the new Revenue Sharing Formula as contained in the **2002 SACU Agreement** 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 **2002 SACU Agreement**, 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 to make a decision on the revenue management option.

SACU WORK PROGRAMME:

1. Regional industrial development policy
2. Review of the revenue sharing arrangement
3. Trade Facilitation
4. Development of SACU institutions
5. Unified engagement in trade negotiations
6. Trade-in Services
7. Strengthening the capacity of the Secretariat

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

3. POLICY DEVELOPMENT AND RESEARCH DIRECTORATE

Overview

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 to start work on common policy development is contained in **Part Eight** of the **2002 SACU Agreement**, 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 included in areas under Part Five of the Agreement in the harmonized technical regulations and product standards (Article 28) and sanitary and phytosanitary measures (Article 30).

Industrial Policy

SACU Member States, in recognizing the importance of balanced industrial development of the Common Customs Area as an important objective for economic development and pursuant to this, agreed that common policies and strategies with respect to industrial development be developed. SACU has started work on the development of a common industrial policy. Member States have emphasized the urgent need for an industrial policy for SACU as it is an essential step towards the effective operation of the National Bodies and the Tariff Board. It will also be an important component in formulating tariff and trade policy, which has a bearing on revenue sharing arrangements.

The Member States have exchanged their existing policies in order to start a discourse on the meaning and scope of a SACU industrial policy framework and begin to identify its possible components. A SACU Task Team has been formed composing of the Member States contact persons to oversee the development of the industrial policy framework. The Secretariat has undertaken a policy audit review of the documentation submitted and is in the process of developing a discussion document taking all the industrial policy related documentation into account.

The discussion document will take into consideration the status and scope of industrial policy development in SACU Member States and also to identify gaps and possible approaches to a ‘common understanding of industrial policy’.

In order to ensure ownership of the industrial policy development framework, Member States have submitted respective concept papers to define their levels of ambition in this regard.

Agricultural Policy

Member States recognize the importance of the agricultural sector to their economies and agree to cooperate on agricultural policies in order to ensure the coordinated development of the agricultural sector within the Common Customs Area. This is explicitly set out in Article 39 of the 2002 SACU Agreement, dealing with agricultural policy development.

There will be an audit inventory among Member States in cooperation with the SACU Secretariat. This process will involve collating existing policies, policy processes, and sectoral competitiveness of Member States. This exercise will identify areas where policy harmonization already exists and where gaps in policies and potential policy conflicts occur. The audit will assist in developing a coordinated policy framework.

As part of drafting a coordinated policy framework on agriculture and to implement Article 39 of the 2002 SACU Agreement, prioritization will be considered for policies that are directly related to and facilitating production, processing, marketing and trade in agriculture products.

Competition Policy

The process of considering competition issues within SACU is driven by the Article 40 and Article 41 of the 2002 SACU Agreement. Article 40 deals with competition policy and the requirement for Member States to all have competition policies as a pre-requisite for a SACU wide cooperation mechanism. The cooperation mechanism should also point out the process with respect to the enforcement of competition policies and regulations within SACU.

Article 41 requires that policies and instruments be developed to address unfair trade practices between Member States and for these to be annexed to the SACU Agreement. When the new SACU Agreement came into effect in 2004, the process of developing annexes to these articles started with an initiative by the Trade and Industry Liaison Committee work on the development of an Annex on Unfair Trade Practices as contained in Article 41.

Initially, in the absence of a Secretariat, the Government of the Kingdom of Lesotho agreed to coordinate the process. The United Nations Conference on Trade and Development (UNCTAD) funded the work and also provided resources in the form of intellectual expertise. As a first outcome, a study was undertaken and the findings were presented and discussed at workshops during 2004 to ensure a consultative process within Member States. The study investigated options for SACU, concentrating on the relevant Articles in the SACU Agreement and highlighted possibilities of how SACU could deal with unfair trade practices and related issues.

With the establishment and subsequent staffing of the Secretariat, the Trade and Industry Liaison Committee agreed that coordination of this work should shift to the Secretariat with the continued support of UNCTAD, work towards developing a draft Annex on Unfair Trade Practices and cooperating mechanisms on competition policy, competition law and regulations be undertaken.

The draft annexes to the 2002 SACU Agreement on unfair trade practices and cooperating mechanisms on competition policy, competition law and regulations are currently being finalized on in terms of Article 40 and Article 41.

Sectoral Priorities

MALAWI, MOZAMBIQUE, TANZANIA AND ZAMBIA (MMTZ)

In early 2007 the SACU Council of Ministers extended the Malawi, Mozambique, Tanzania, and Zambia (MMTZ) Market Access Arrangement.

SACU Textile and Clothing Sector

The development of the long-term strategy for the SACU textile and clothing sector has become a priority for the Council. The SACU Trade Ministers have reaffirmed the need for SACU to advance work in this area. Work has been commissioned to undertake research on all aspects relating to the development of a long-term strategy, including the cost-benefit analysis of the Textile and Clothing Industry Development Programme (TCIDP) and the options for a replacement scheme for the TCIDP.

Regional Integration

Regional Integration is a subject of growing importance for the Southern African region as a whole, including the Southern African Customs Union (SACU) Organization.

There are a number of areas and challenges that face the Regional Integration initiatives for Southern Africa These include:

- The establishment of Common Policies in a number of areas including, industrial, agriculture and competition policies.
- The Convergence of Trade related policies.
- Comprehensive economic surveillance and greater policy coordination.
- Transport and communication infrastructure.
- Strengthening the provision of regional public goods and commodities.

Being the oldest functional Customs Union in the world. SACU has advanced its integration further than what is required in a Customs Union, it does not only have a Common External Tariff but currently four of its Members are cooperating in the Common Monetary Area (CMA), and it is currently engaged in activities to further integrate the economies of its Member States.

SACU has a legal framework to achieve deeper integration. To further deepen SACU's integration, the SACU Agreement, 2002, provides for the development of common industrial policy, and a policy of unfair trade practices. It also provides for cooperation in Agriculture Policies and Competition Policies. In addition it provides for a Common Negotiating Mechanism with respect to trade Negotiations with third parties.

To address the Challenge for deeper Regional Integration, the SACU Council of Ministers, has set up a Task Team consisting of SACU Senior Officials in Trade and Industry as well as Finance.

Several Studies have been commissioned in this area. The primary mandate of the SACU Task Team is to address issues of accelerating the implementation for the 2002 SACU Agreement and to advise Council on issues and Challenges for Regional Integration.

4. CORPORATE SERVICES DIRECTORATE

The SACU Secretariat is responsible for the day-to-day administration of SACU and the roll-out of the SACU Work Programme. In support of the Secretariat's role, the Directorate of Corporate Services is responsible for the provision of effective, efficient and cost effective services to all SACU institutions, with the key focus being the support of the operational activities of the Secretariat.

Financial Management

The Financial Management focuses on fulfilling its primary role as a strategic partner and adviser on financial management and financial reporting issues of the Secretariat.

Specifically, the Financial Management Sub-directorate is responsible for the following:

- Production of financial plans such as budget plans, cash flow forecasts and financial reports
- Treasury management including investments of funds
- Providing financial information to all relevant stakeholders to enhance decision making within the secretariat
- Compliance with all applicable accounting standards and regulatory requirements

- Safeguarding of assets
- Financial risk management and corporate governance
- Payroll management

Human Resources

The Human Resources forms a key part of the organisation as it focuses on human capital which is an enabling factor for the achievement of the organisation's mandate. The Secretariat has an organisational structure which is aimed at strengthening its capacity for the SACU work programme to advance. The Human Resources has a role of ensuring that the staffing levels are sufficient to enable the Secretariat to provide technical advice and high quality reports to the Commission and Council as well as for implementation of all the SACU policies, strategies and the SACU Work programme: In order to have a consistent skills capacity within the Secretariat, The following interventions should be achieved:

- Recruitment of highly experienced and qualified staff
- Retention and motivation of staff through competitive, welfare based policies and strategies as well as performance management
- Staff development and training
- Effective management of employee relations

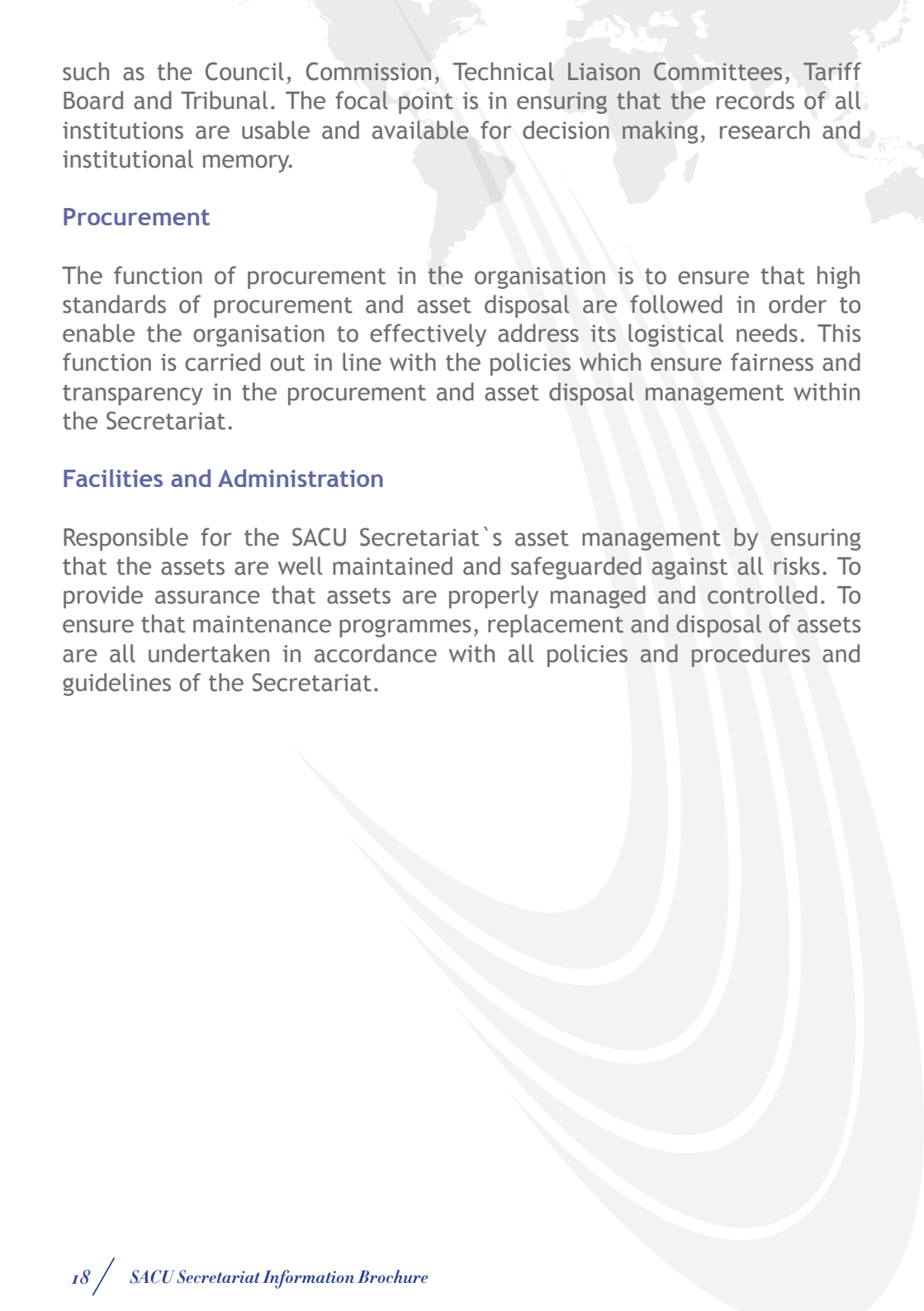
Information and Technology

The ICT sub-directorate continues to strive to equip employees with technology solutions and services, within a secure and reliable environment, that support the provision of an efficient and cost-effective service to SACU stakeholders.

The planned projects for IT Strategy Development, Business Continuity and Disaster Recovery Planning will further strengthen the Secretariat's capacity to deliver on its mandate.

Records and Information Management

The importance of the Records and Information Management Office stems from Article 10 of the SACU Agreement, 2002, which declares the Secretariat as the repository of all SACU records. In this role, the manages and preserves the records of the Secretariat and other SACU institutions



such as the Council, Commission, Technical Liaison Committees, Tariff Board and Tribunal. The focal point is in ensuring that the records of all institutions are usable and available for decision making, research and institutional memory.

Procurement

The function of procurement in the organisation is to ensure that high standards of procurement and asset disposal are followed in order to enable the organisation to effectively address its logistical needs. This function is carried out in line with the policies which ensure fairness and transparency in the procurement and asset disposal management within the Secretariat.

Facilities and Administration

Responsible for the SACU Secretariat's asset management by ensuring that the assets are well maintained and safeguarded against all risks. To provide assurance that assets are properly managed and controlled. To ensure that maintenance programmes, replacement and disposal of assets are all undertaken in accordance with all policies and procedures and guidelines of the Secretariat.

A world map is visible in the background, showing the continents of North America, South America, Africa, Europe, Asia, and Australia. Overlaid on the map are horizontal blue lines for taking notes. The word "NOTES" is written in blue capital letters at the top left.

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