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**1. SACU ADVANCES CUSTOMS RISK MANAGEMENT AND PREFERRED TRADER PROGRAMME**

As SACU seeks to implement the regional preferred trader programme a number of supporting initiatives are required. One such supporting initiative is an approach to addressing customs risks widely. In realizing the collaborative support needed from other customs areas to make the Preferred Trader Programme a success, the SACU region held a joint meeting of the preferred trader and risk management and enforcement working groups.

The (Preferred Trader) PT programme focuses on implementing a regional programme that accords benefits across the region to qualifying business entities based on a set of criteria. While preparing for the regional launch of the PT programme, the Heads of Customs agreed on a peer review and monitoring exercise to take place in November 2013. The purpose of the exercise was to diagnose the level of readiness in each of the SACU

Member States with a view to assess readiness by Member States to launch the pilot programme. The peer review commenced in December 2013 in Lesotho, South Africa and Swaziland and was concluded in Botswana and Namibia in February 2014.

Some of the key findings and recommendations coming from the exercise included the need to ensure an adequate legal infrastructure is in place to support regional information exchange. The exercise also highlighted that strong and sustainable national programmes will be a pre-requisite for extending regional benefits. For this reason a regional minimum standard is being developed for trader verification to facilitate regional acceptance of accredited clients.

Member States are continuing work on implementing their national pilots whilst work on developing regional legal instruments will continue.

**2. 9<sup>TH</sup> STEERING COMMITTEE MEETING FOR SACU-WCO CUSTOMS DEVELOPMENT PROGRAMME**



Participants: 9<sup>th</sup> Steering Committee meeting

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The 9<sup>th</sup> Steering Committee meeting for the SACU-WCO Customs Development Programme was held on 7 November 2013 in Maseru, Lesotho. The meeting was convened to consider progress in the implementation of the Customs Development programme for the year 2013. Among other considerations the Committee approved key issues related to the Preferred Trader Programme, IT interconnectivity and Risk Management and Enforcement.

Further the meeting was to consider the lessons learnt in the implementation of the Customs Development Programme.

The first phase of the Customs Development Programme came to an end in December 2013. The new phase commenced on 1 January 2014 with the assistance of the WCO and the Swedish International Development Cooperation Agency (SIDA).

### **3. SACU SECRETARIAT CONDUCTS BORDER PROCESSES MAPPING**

Trade facilitation is largely used to improve the regulatory interface between government bodies and traders at national borders. The primary goal of trade facilitation is to reduce the transaction costs and complexity of international trade for business and improve the trading environment in a region, while at the same time optimizing efficient and effective levels of government control and revenue collection.

Trade Facilitation relates to a comprehensive and integrated approach aimed at developing a consistent, transparent and predictable environment in which international trade transactions take place and covers all the steps necessary to facilitate the movement of goods across borders.

SACU Heads State and Government have identified trade facilitation as one of the key priority areas to underpin the SACU work programme. Facilitating the cross border movement of goods within the customs union is essential to ensure that intra-SACU trade increases, more so as SACU seeks to promote regional industrialization through the development of regional value chains.

Within SACU, trade facilitation has traditionally consisted of two interrelated but distinct parts – the SACU-WCO Customs Development Programme, which incorporates the five key customs initiatives and the Transport Sector Programme. More specific areas include: customs reform and modernization, promoting greater customs cooperation, the removal of non-tariff trade barriers, and enhancing the role of transport in trade facilitation.

In order to assess current border processes within SACU, the SACU Secretariat recently undertook a border process mapping research study. The purpose of the study was to determine and evaluate the physical experience of processing a transaction from arrival at

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selected SACU ports of entry and land borders through to clearance. This will allow for a holistic view of cross border regulatory issues that may impede trade facilitation and allow for the development of an integrated approach to addressing trade facilitation in SACU.

The study also aims to assist in developing current state process maps which are required for developing “preferential” processes and procedures under the preferred trader pilot programme being pursued by the region.

The specific focus of the research was on the regulatory and informational requirements for the movement of goods, passengers and conveyance between the respective SACU Member States.

The information collected will assist in identifying some of the underlying causes of border challenges that may impact competitiveness from a regulatory or non-tariff measure perspective.

The outcome of the study will be a SACU wide process mapping that will guide the traders and the general public on how the movement of goods is handled by various stakeholders in Member States and the related requirements.

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