



**United Nations
Conference
on Trade and
Development**

Distr.
RESTRICTED

TD/B/EX(41)/R.2
20 February 2007

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Forty-first executive session
Geneva, 18–20 April 2007

**DESIGNATION OF INTERGOVERNMENTAL BODIES FOR THE PURPOSES
OF RULE 76 OF THE RULES OF PROCEDURE OF THE BOARD**

Application by the Southern African Customs Union (SACU)

*Note by the UNCTAD secretariat**

Executive summary

The UNCTAD secretariat has received an application from the Southern African Customs Union (SACU) requesting the Trade and Development Board to grant it status under rule 76 of the Board's rules of procedure.

Information regarding the history, aims and structure of SACU is annexed.

* This document was submitted on the above-mentioned date as a result of processing delays.

Annex

BACKGROUND INFORMATION ON THE SOUTHERN AFRICAN CUSTOMS UNION (SACU)

History

1. The Southern African Customs Union (SACU) was established in 1910 between the Union of South Africa and the High Commission Territories of Bechuanaland, Basutoland and Swaziland. With the independence of these three territories, a new Agreement providing for the continuation of the Customs Union arrangements was concluded between these countries and the Republic of South Africa on 11 December 1969. Namibia became independent in 1990 and became a member of SACU that same year.

2. The 1969 Agreement has been renegotiated to take into account the social, economic and political changes that have taken place in the subregion. Negotiations for the new SACU Agreement started in November 1994, following the assumption of office by the democratic government in South Africa. The new SACU Agreement was signed on 21 October 2002 and entered into force on 15 July 2004. The Member States agreed on a democratic and transparent SACU with common policies and common institutions to promote industrial and economic development and regional integration.

Aims and objectives

3. The objectives of SACU are:

(a) To facilitate the cross-border movement of goods between the territories of the Member States;

(b) To create effective, transparent and democratic institutions that will ensure equitable trade benefits to Member States;

(c) To promote conditions of fair competition in the Common Customs Area;

(d) To substantially increase investment opportunities in the Common Customs Area;

(e) To enhance the economic development, diversification, industrialization and competitiveness of Member States;

(f) To promote the integration of Member States into the global economy through enhanced trade and investment,

(g) To facilitate the equitable sharing of revenue arising from customs, excise and additional duties levied by Member States; and

(h) To facilitate the development of common policies and strategies.

Membership

4. Membership of SACU is open to States. Admission is approved by unanimous decision of the Council. The Council determines the procedures and criteria for the admission of new members.

5. At present, the following countries are members of SACU: Botswana, Lesotho, Namibia, South Africa and Swaziland.

Structure

6. The new SACU Agreement provides for the following permanent institutions:

(a) Council of Ministers: The Council of Ministers is the supreme decision-making institution of SACU. It consists of at least one Minister from each Member State, normally the Minister of Finance and Trade. It takes decisions by consensus on the basis of consultations between the Secretariat and the Member States;

(b) Commission: The Commission consists of the most senior officials, at the level of Director General or Permanent Secretary, from each Member State (usually the Ministries of Finance and Trade) and is responsible for the implementation of the SACU Agreement and decisions of the Council and for supervision of the work of the Secretariat;

(c) Secretariat: The Secretariat is headed by the Executive Secretary, who is responsible for the day-to-day administration of SACU and coordinates and monitors the implementation of Council decisions. The Secretariat also coordinates and assists in the negotiation of trade agreements with third parties, and is responsible for keeping a record of all transactions into and out of the Common Revenue Pool;

(d) Tariff Board (not yet established): The Tariff Board will consist of experts from the Member States and will be responsible for making recommendations on changes to customs duties, trade remedies, rebates, refunds or duty drawbacks;

(e) Technical Liaison Committees: There are four Technical Liaison Committees (Agriculture, Customs, Trade and Industry, and Transport) to assist and advise the Customs Union;

(f) Tribunal (not yet established): The Tribunal will rule on disputes regarding the interpretation or application of the SACU Agreement. It will function on an ad hoc basis.

Financial resources

7. SACU receives its budget from the SACU Common Revenue Pool. Its budgetary needs are provided for before Member States receive contributions. SACU also receives budgetary support from the European Union.

Relations with other international organizations

8. SACU has relations with the European Union (EU), which has given initial budgetary support for start-up operations. Apart from this, SACU has no specific relations with other international organizations.

Publications

9. SACU has no publications.

Liaison

10. Liaison with UNCTAD will be maintained by Ms. Tswelopele C. Moremi, Executive Secretary, and Mr. Thabang Clement Phatela, Legal Adviser.

Address

SACU Secretariat

Private Bag 13285

Windhoek, Namibia

Tel: (+264-61) 243 950

Fax: (264-61) 245 611

E-mail: info@sacu.int

Languages

11. The working language of SACU is English.

* * * * *