

ANNEX III
PROTOCOL RELATING TO THE UNIQUE SITUATION
OF LESOTHO, NAMIBIA AND SWAZILAND

THE HIGH CONTRACTING PARTIES

Cognizant of the unique situation of Lesotho, Namibia and Swaziland (LNS) arising from the membership of the Southern African Customs Union and the Common Monetary Area.

Conscious that calling upon the LNS countries to implement immediately certain provisions of this Treaty may cause dislocation or fundamental disturbances to their economies.

HAVE AGREED AS FOLLOWS:

ARTICLE 1

Scope of Exceptions

1. Without derogation from the generality of the provisions of the Treaty, the provisions of this Protocol shall apply for the purposes of establishing a framework of special arrangements in regard to the participation of the LNS countries in the Common Market.
2. Pursuant to the provisions of paragraph 1 of this Article the Member States agree to grant to Lesotho, Namibia and Swaziland five (5) years derogation from the application of the provisions of the Treaty relating to

tariff reduction and the removal of non-tariff barriers; the establishment and maintenance of a common external tariff; most favoured nation treatment and monetary co-operation.

3. Nothing contained in this Treaty shall affect any decision taken or acts done under the Southern African Customs Union Agreement and the Common Monetary Area Agreement before the coming into force of this Protocol or the continued fulfilment of the obligations of the LNS countries under the said Agreements.

Article 2

Obligations' of the LNS Countries

The LNS countries undertaken to:

- (a) take such measure, including of a structural, economic and technical nature as will make possible the progressive increase in trade and economic co-operation with the other Member States;
- (b) pursue socio-economic policies that will be conducive to the fulfillment of the objectives of the Treaty;
- (c) provide the Secretariat with reports on progress made with respect to obtaining the concurrence of the other members of SACU and the CMA to extend concessions granted in the context of SACU and the CMA to the

other Member States;

- (d) provide the Secretariat with reports on progress made to increase trade and economic cooperation with the other Member States thereby ensuring that they work progressively towards the full application of the provisions of the Treaty.

ARTICLE 3

Implementation

1. The Council, acting on the proposal of the International Committee, may make recommendations to the LNS countries concerning the measures and projects to be undertaken in furtherance of the provisions of this Protocol.
2. For the effective implementations of the provisions of this Protocol the Secretary-General shall undertake studies and make appropriate recommendations to Council on the practical aspects of and any other matters relating to the implementation of this Protocol.

Done atin the Republic of
on the.....day.....

of, in the year one thousand nine hundred
and....., in the English, French and Portuguese languages,

the three texts being equally authentic.