

Tanzania

Small Industries Development Organisation Act Chapter 112

Legislation as at 31 July 2002

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Small Industries Development Organisation Act
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Tanzania

Small Industries Development Organisation Act

Chapter 112

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[Note: This legislation has been thoroughly revised and consolidated under the supervision of the Attorney General's Office, in compliance with the Laws Revision Act No. 7 of 1994, the Revised Laws and Annual Revision Act (Chapter 356 (R.L.)), and the Interpretation of Laws and General Clauses Act No. 30 of 1972. This version is up-to-date as at 31st July 2002.]

[Act No. 28 of 1973]

An Act to establish the Small Industries Development Organisation.

1. Short title

This Act may be cited as the Small Industries Development Organisation Act.

2. Interpretation

In this Act unless the context requires otherwise—

"**appointing authority**" means—

- (a) in relation to the Chairman of the Board, the President;
- (b) in the case of any other member of the Board, the Minister;

"**Board**" means the Board of Directors of the Organisation;

"**Chairman**" means the Chairman of the Board;

"**Director-General**" means the Director-General of the Organisation;

"**member**" in relation to the Board, means a member of the Board and includes the Chairman and Vice-Chairman;

"**Minister**" means the Minister responsible for industries;

"**Organisation**" means the Small Industries Development Organisation established by [section 3](#).

3. Establishment of the Organisation

- (1) There is hereby established an organisation to be known as the Small Industries Development Organisation.
- (2) The Organisation shall be a body corporate and shall—
 - (a) have perpetual succession and a common seal;
 - (b) in its corporate name be capable of suing and being sued;
 - (c) subject to this Act, be capable of purchasing and otherwise acquiring and of alienating, any movable or immovable property.

4. Composition and proceedings of Board

- (1) There shall be a Board of Directors which shall be responsible for the performance of the functions and the management of the affairs of the organisation.
- (2) The provisions of the Schedule to this Act shall have effect as to the constitution and the proceedings of the Board.
- (3) The Minister may, by order published in the *Gazette*, amend, add to, vary or replace the Schedule to this Act.

5. Functions of the Organisation

The functions of the Organisation shall be—

- (a) to promote the development of small industries in Tanzania;
- (b) to plan and co-ordinate the activities of small industry enterprises;
- (c) to carry out market research in goods manufactured by small industries;
- (d) to provide services necessary for or incidental to proper development of small industries to parastatal organisations and other persons engaged in small industry enterprises;
- (e) to advise the Government on all matters relating to the development of small industries;
- (f) to carry out research in the development of small industries and marketing of their products including the standard and quality of such products;
- (g) to facilitate orderly and balanced development of small industries in the regions;
- (h) to provide technical assistance to persons engaged in small industries;
- (i) to provide and promote training facilities for persons engaged in or employed or to be employed in small industries and to assist and co-ordinate the activities of other institutions engaged in such training;
- (j) to provide management and consultancy services to small industry enterprises;
- (k) to undertake or assist any institution or person in the undertaking of technological research and to encourage and promote technological advancement;
- (l) to perform all other functions which the President may, by order published in the *Gazette*, confer upon the Organisation.

6. Powers of Board

For the proper discharge of the function of the Organisation the Board shall, subject to any directions the Minister may give in that behalf, have the power—

- (a) to assist persons engaged in small industries in formulating their annual and long term development, marketing and research plans;
- (b) to give persons engaged in small industries assistance relating to the formulation of cost structures, the principals of pricing and the marketing policies, and to establish and assist in or otherwise contribute to the establishment of acceptable standards of quality;
- (c) to assist the institutions and persons engaged in small industry enterprise in all matters relating to finance including the raising of loans, whether external or internal;
- (d) to undertake or assist in the marketing of the products of small industries;
- (e) to charge fees for services rendered by the Organisation;

- (f) to do all other acts and things, and to enter into all contracts and agreements, which may be necessary or expedient for the effective performance of the functions of the Organisation.

7. Director-General

- (1) The President shall appoint upon the terms and conditions which he may specify a Director-General of the Organisation who shall be the chief executive officer of the Organisation.
- (2) The Director-General shall be entitled to attend the meetings of the Board and to participate in its deliberations but shall not, save where he is also a member, be entitled to vote on any resolution or other matter before the Board.

8. Minister may give directions to Organisation

the Minister may give the Organisation directions of a general or specific nature and the Organisation shall give effect to every direction.

9. Funds of Organisation

The funds and resources of the Organisation shall consist of—

- (a) any sums which may be provided for the purposes of the Organisation by parliament, either by way of grant or loan;
- (b) any sums which the Organisation may, from time to time, borrow in accordance with the provisions of this Act;
- (c) any sums which may in any manner become payable to or vested in the Organisation under the provisions of this Act or incidental to the carrying out of its functions.

10. Appointment of employees

The Board may from time to time appoint at salaries and upon terms and conditions which it may think fit, any officers and employees of the Organisation whom it may deem necessary for the proper and efficient conduct of the business and activities of the Organisation.

11. Remuneration and allowance of members

The members of the Board shall be entitled to receive remunerations, allowances and other benefits which the Minister may direct.

12. Superannuation benefits

The Board may—

- (a) grant gratuities or other retirement allowances or benefits to the officers and employees of the Organisation;
- (b) establish and contribute to a superannuation fund or a medical benefits fund for the officers and employees of the Organisation;
- (c) require any officer or employee of the Organisation to contribute to any superannuation fund or medical benefits fund and fix the amount and method of payment of the contribution.

13. Powers of the Board to delegate

- (1) Subject to subsection (5) the Board may from time to time, by writing under the seal of the Organisation delegate, subject to any terms, conditions and restrictions which it may specify, to any committee of the Board or to any officer or employee of the Organisation, or any other person or

body of persons, all or any of its functions, powers, authorities or duties under this Act, and where any delegation is so made the delegated function, power, authority or duty may be performed or, as the case may be, exercised by the delegate subject to the terms, conditions and restrictions specified in the writing.

- (2) Any delegation under subsection (1) may be made to the holder of any office under the Organisation specifying the office but without naming the holder, and in every case each successive holder of the office in question and each person who occupies or performs the duties of the office may, without any further authority, perform or, as the case may be, exercise the delegated function, power, authority or duty in accordance with the delegation made.
- (3) The Board may revoke a delegation made by it under this section.
- (4) No delegation made under this section shall prevent the Board from itself performing or exercising the function, power, authority or duty delegated.
- (5) The Board shall not have power under this section to delegate—
 - (a) its power of delegation; or
 - (b) the power to approve the annual budget or any supplementary budget or receipts and expenditure, the annual balance sheet or any statement of account.

14. Annual and supplementary budget

- (1) In this Act "financial year" means any period not exceeding twelve consecutive months designated in that behalf by the Board:

Provided that the first financial year after the commencement of this Act shall commence on the date of the commencement of this Act and may be of a longer or shorter period than twelve months.
- (2) Not less than two months before the beginning of any financial year (other than the first financial year) the Board shall, at its meeting especially convened for that purpose, pass a detailed budget (in this Act called "the annual budget") of the amounts respectively—
 - (a) expected to be received; and
 - (b) expected to be disbursed,by the Organisation during that financial year.
- (3) If in any financial year the Board requires to make any disbursement not provided for or of an amount in excess of the amount provided for, in the annual budget detailing the disbursement.
- (4) The annual budget and every supplementary budget shall be in the form and include the details which the Minister may direct.
- (5) Forthwith upon passing any annual budget or any supplementary budget the Board shall submit the same to the Minister for his approval.
- (6) The Minister shall, upon receipt of the annual budget or any supplementary budget, approve or disapprove the same or may approve subject to any amendment which he may deem fit.
- (7) Where the Minister has approved any annual budget or supplementary budget, the budget, as amended by him, shall be binding on the Board which, subject to the provisions of subsection (8), shall confine the disbursements of the Organisation within the items and the amounts contained in the applicable estimates as approved by the Minister.
- (8) The Board may—
 - (a) with the sanction in writing of the Minister make a disbursement notwithstanding that the disbursement is not provided for in any budget;

- (b) from the amount of expenditure provided for in any estimates in respect of any item, transfer, a sum not exceeding twenty thousand shillings, to any other item contained in the budget;
- (c) adjust expenditure limits to take account of circumstances not reasonably foreseeable at the time the budget was prepared, subject to submitting a supplementary budget to the Minister within two months of the alteration of expenditure limits becoming necessary.

15. Director-General's report

The Director-General shall, within sixty days of the end of each financial year, prepare a report on the activities of the Organisation during the year and submit the report to the Chairman who shall forward the same to the Minister.

16. Investment

With the prior approval of the Minister, the Board may, from time to time, invest any part of the moneys available in any fund of the Organisation in the investments which are authorised investments in relation to investment of funds by a trustee under the Trustees Investments Act ¹.

17. Power to borrow

- (1) With the prior approval of the Minister the Board may, from time to time, borrow moneys for the purposes of the Organisation by way of loan or overdraft, and upon any security and any terms and conditions relating to the repayment of the principal and the the payment of interest which subject to any directions by the Minister, the Board may deem fit.
- (2) A person lending money to the Organisation shall not be bound to enquire whether the borrowing of that money by the Board has been approved by the Minister.

18. Accounts and audit

- (1) The Board shall cause to be provided and kept proper books of accounts and records with respect to —
 - (a) the receipt and expenditure of moneys by, and other financial transactions of, the Organisation;
 - (b) the assets and liabilities of the Organisation,and shall cause to be made out for every financial year a balance sheet showing details of the income and expenditure of the Organisation and all its assets and liabilities.
- (2) Within six months of the close of every financial year the accounts including the balance sheet of the Organisation in respect of the financial year shall be audited by the Tanzania Audit Corporation.
- (3) As soon as the accounts of the Organisation have been audited, and in any case not later than six months after the close of that financial year, the Board shall submit to the Minister a copy of the audited statement of accounts together with a copy of the report made by the auditors.
- (4) Every audited balance sheet shall be placed before a meeting of the Board and, if adopted by the Bard shall be endorsed with a certificate that it has been so adopted.

¹

19. Laying of accounts before the National Assembly

The Minister shall, as soon as may be practicable after he has received them and not later than seven months after the close of a financial year or any longer period which the National Assembly may, by resolution, approve in that behalf, lay before the National Assembly the following documents in relation to that financial year—

- (a) a copy of Organisation's annual balance sheet;
- (b) a copy of the auditor's report, if any;
- (c) a copy of the Director-General's annual report.

Schedule (Section 4)

1. Constitution

The Board shall consist of—

- (a) a Chairman appointed by the President;
- (b) not less than six and not more than ten other members appointed by the Minister.

2. Vice-Chairman

The members of the Board shall, from among their number, elect a Vice-Chairman, who shall hold office for so long as he remains a member of the Board.

3. Tenure of office

- (1) A member of the Board shall, unless his appointment is sooner determined by the appointing authority, or he otherwise ceases to be a member, hold office for the period which the appointing authority may specify in his appointment:

Provided that in the case of a member who is a member by virtue of his holding some other office, he shall cease to be a member upon his ceasing to hold that office.

- (2) Any member of the Board may at any time resign by giving notice in writing to the appointing authority and from the date specified in the notice or, if no date is so specified, from the date of the receipt of the notice by the appointing authority, he shall cease to be a member.

4. Secretary

The Board shall appoint a suitable person to be the Secretary of the Board.

5. Absent member to be replaced at meetings

If a member is unable for any reason to attend a meeting, the body or the Ministry, as the case may be, which he represents, may, in writing, nominate another person in his place for the purpose of that meeting.

6. Casual vacancies

Where any member ceases to be a member for any reason before the expiration of his term of office, the appointing authority shall appoint another person in his place and the person so appointed shall hold office for the remainder of the term of office of his predecessor.

7. Meetings

- (1) An ordinary meeting of the Board shall be convened by the Chairman and the notice specifying the place, date and time of the meeting shall be sent to each member at his usual place of business or residence not less than seven days before the date of the meeting. In case the Chairman is unable

to act by reason of illness, absence from the United Republic or other sufficient cause, the Vice-Chairman may convene that meeting.

- (2) The Chairman, or in his absence, the Vice-Chairman, shall be bound to convene a special meeting of the Board upon receipt of request in writing in that behalf signed by not less than three members of the Board. Not less than seven days' notice of the meeting shall be given to all members of the Board in the manner prescribed in subparagraph (1).
- (3) The Chairman, the Vice-Chairman, or the temporary chairman elected in accordance with the provisions of paragraph 8 (a) presiding at any meeting of the Board may invite any person who is not a member to participate in the deliberations of the Board, but that person shall not be entitled to vote.

8. **Quorum**

- (1) One-half of the total number of the members of the Board, or four members, whichever is the lesser number, shall form a quorum for a meeting of the Board.
- (2) In the absence of the Chairman from a meeting of the Board the Vice-Chairman shall preside. In the absence of both the Chairman and the Vice-Chairman from any meeting, the members present shall elect one of their number to be a temporary chairman of that meeting.
- (3) At any meeting of the Board a decision of the majority of the members present and voting shall be deemed to be a decision of the Board. In the event of an equality of votes the Chairman of the meeting shall have a casting vote in addition to his deliberative vote.
- (4) Notwithstanding the provisions of subparagraph (2), where the Chairman so directs, a decision may be made by the Board without a meeting by circulation of the relevant papers among all the members and the expression in writing of their views, but any member shall be entitled to require that any decision be deferred until the subject matter is considered at a meeting of the Board.

9. **Minutes of meetings**

Minutes in proper form of each meetings of the Board shall be kept and shall be confirmed by the Board at the next meeting and signed by the Chairman of the meeting.

10. **Vacancies, etc., not to invalidate proceedings**

Subject to the provisions of paragraph 8 relating to quorum, the Board may act notwithstanding any vacancy in its membership and no act or proceeding of the Board shall be invalid by reason only of some defect in the appointment of a person who purports to be its member.

11. **Orders, directions, etc.**

All orders, directions, notices or documents made or issued by the Board shall be signed by—

- (a) the Director-General; or
- (b) any member of the Board or other officer of the Organisation authorised in writing by the Director-General in that behalf.

12. **Seal of Board**

The seal of the Board shall not be affixed to any instrument except in the presence of the Director-General or the Chairman or the Vice-Chairman or the Secretary and at least one other member of the Board.

13. **Board may regulate its own proceedings**

Subject to the provisions of this Schedule the Board shall have power to regulate its own proceedings.