

**THE SMALL INDUSTRIES DEVELOPMENT ORGANIZATION
ACT, 1973**

ARRANGEMENT OF SECTIONS

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SCHEDULE

THE UNITED REPUBLIC OF TANZANIA



No. 28 OF 1973

I ASSENT,

Julius K. Nyerere
 President

6TH ... DECEMBER, 1973

An Act to establish Small Industries Development Organization

[7 DEC 1973]

Enacted by the Parliament of the United Republic of Tanzania.

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| <p>1. This Act may be cited as the Small Industries Development Organization Act, 1973.</p> <p>2. In this Act unless the context otherwise requires-</p> <p>"appointing authority" means-</p> <p style="padding-left: 2em;">(a) in relation to the Chairman of the Board, the President;</p> <p style="padding-left: 2em;">(b) in the case of any other member of the Board, the Minister;</p> <p>"Board" means the Board of Directors of the Organization;</p> <p>"the Chairman" means the Chairman of the Board;</p> <p>"Director-General" means the Director-General of the Organization;</p> <p>"member" in relation to the Board, means a member of the Board and includes the Chairman and Vice-Chairman;</p> <p>"Minister" means the Minister for the time being responsible for industries;</p> <p>"Organization" means the Small Industries Development Organization established by section 3.</p> <p>1-(1) There is hereby established an organization to be, known as the Small Industries Development Organization.</p> <p>(2) The Organization shall be a body corporate and shall-</p> <p style="padding-left: 2em;">(a) have perpetual succession and a common seal;</p> <p style="padding-left: 2em;">(b) in its corporate name be capable of suing and being sued;</p> <p style="padding-left: 2em;">(c) subject to this Act, be capable of purchasing and otherwise acquiring and of alienating, any movable or immovable property.</p> | <p>Short title</p> <p>Interpretation</p> <p>Establishment of the Organization</p> |
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Composition and proceedings of Board	<p>4.-(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 organization.</p> <p>(2) The provisions of the Schedule to this Act shall have effect as to the constitution and the proceedings of the Board.</p> <p>(3) The Minister may, by order in the <i>Gazette</i>, amend, add to, vary or replace the Schedule to this Act.</p>
Functions of the Organization	<p>5. The functions of the Organization shall be-</p> <p>(a) to promote the development of small industries in Tanzania;</p> <p>(b) to plan and co-ordinate the activities of small industry enterprises in Tanzania;</p> <p>(c) to carry out market research in goods manufactured by small industries in Tanzania;</p> <p>(d) to provide services necessary for or incidental to proper development of small industries to parastatal organizations and other persons engaged in small industry enterprises;</p> <p>(e) to advise the Government on all matters relating to the development of small industries in Tanzania;</p> <p>(f) to carry out research in the development of small industries and marketing of products thereof, including the standard and quality of such products;</p> <p>(g) to facilitate orderly and balanced development of small industries in the regions;</p> <p>(h) to provide technical assistance to persons engaged in small industries;</p> <p>(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;</p> <p>(j) to provide management and consultancy services to small industry enterprises in Tanzania;</p> <p>(k) to undertake or assist any institution or person in the undertaking of technological research and to encourage and promote technological advancement in Tanzania;</p> <p>(l) to perform such other functions as the President may, by order published in the <i>Gazette</i>, confer upon the Organization.</p>
Powers of Board	<p>6. For the proper discharge of the function of the Organization the Board shall, subject to any directions the Minister may give in that behalf, have the power-</p> <p>(a) to assist persons engaged in small industries in formulating their annual and long term development, marketing and research plans;</p> <p>(b) to give persons engaged in small industries assistance relating to the formulation of cost structures, the principles of pricing and the marketing policies; and to establish and assist in or otherwise contribute to the establishment of acceptable standards of quality,</p>

- (c) to assist the institutions and persons engaged in small industry enterprises 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 Organization;
- (f) to do all such acts and things, and to enter into all such contracts' and agreements, as may be necessary or expedient for the effective performance of the functions of the Organization,.

7.-(1) The President shall appoint upon such terms and conditions as he may specify a Director-General of the Organization who shall be the chief executive officer of the Organization.

Director
General

(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. The Minister may give the Organization directions of a general or specific nature and the Organization shall give effect to every such direction.

Minister may give
directions to
Organization

9. The funds and resources of the Organization shall consist Of-

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

Funds of
Organization

10. The Board may from time to time appoint at such salaries and upon such terms and conditions as it may think fit, such officers and employees of the Organization as it may deem necessary for the proper and efficient conduct of the business and activities of the Organization.

Appointment
of employees

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

Remuneration and
allowance of
members

12. The Board may-

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

Superannuation
benefits

Powers Of
the Board
to delegate

13. (1) Subject to subsection (5) the Board may from time to time, by writing under the seal of the Organization delegate, subject to such terms conditions and restrictions as it may specify, to any committee of the Board or to any officer or employee of the Organization, 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 Organization specifying the office but without naming the holder, and in every such case each successive holder of the office in question and each person who occupies or performs the duties of that 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.

Annual and
Supplemen-
tary budget

14.-(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 Organization 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 for that year, the Board shall, at a meeting, pass a supplementary budget detailing such disbursement.

(4) The annual budget and every supplementary budget shall be in such form and include such details as the Minister may direct.

(5) Forthwith upon passing any annual budget or any supplementary budget the Board shall submit 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 such amendment as 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 Organization 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 such 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 such 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 such alteration of expenditure limits becoming necessary.

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

Directors
General's
report

16. 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 Organization in such investments as are authorized investments in relation to investment of funds by a trustee under the Trustees Investments Act, 1967.

Investment

Acts 1967
No. 33

17.-(1) With the prior approval of the Minister the Board may, from time to time, borrow moneys for the purposes of the Organization by way of loan or overdraft, and upon such security and such terms and conditions relating to the repayment of the principal and the payment of interest as, subject to any directions by the Minister, the Board may deem fit.

(2) A person lending money to the Organization shall not be bound to enquire whether the borrowing of that money by the Board has been approved by the Minister.

Accounts
and audit

18.-(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 Organization;
- (b) the assets and liabilities of the Organization,

and shall cause to be made out for every financial year a balance sheet showing details of the income and expenditure of the Organization and all its assets and liabilities.

Acts, 1968
No. 1

(2) Within six months of the close of every financial year the accounts including the balance sheet of the Organization in respect of that financial year shall be audited by the Tanzania Audit Corporation established by the Tanzania Audit Corporation Act, 1968.

(3) As soon as the accounts of the Organization have been audited, and in any case not later than six months after the close of such financial year, the Board shall submit to the Minister a copy of the audited statement of accounts together with a copy of the report thereon made by the auditor&

(4) Every such audited balance sheet shall be placed before a meeting of the Board and, if adopted by the Board shall be endorsed with a certificate that it has been so adopted.

Laying of
accounts
before the
National
Assembly

19. 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 such longer period or the National Assembly may, by resolution approve in that behalf, lay before the National Assembly the following documents in relation to such financial year-

- (a) a copy of Organization'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

Constitution

1. 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.

vice-
Chairman

2. 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.

Tenure of
office

3.-(I) 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 such period as 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 office, he shall cease to be a member upon his ceasing to hold that

(2) Any member of the Board may at any time resign by giving notice in writing 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. The Board shall appoint a suitable person to be the secretary of the Board. Secretary
5. If a member is unable for any reason to attend a meeting, the body or the Ministry, as the case may be, which represents, may, in writing, nominate another person in his place for the purpose of that meeting. Absent member to be replaced at meetings
6. 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 place and the person so appointed shall hold office for the remainder of the term of office of his predecessor.
- 7.--(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 such 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 such meeting. Meetings
- (2) The Vice-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 such meeting shall be given to all members of the Board in the manner prescribed in sub-paragraph (1).
- (3) The Chairman, the Vice-Chairman, or the temporary 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 any such person shall not be entitled to vote.
- 8.--(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. Procedure
- (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.
- (1) 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 sub-paragraph (2), where the chairman so directs, a decision may be made by the Board without a meeting by circulation of the relevant papers all the members and the expression in writing of their views, but any member shall be entitled to require that any such decision shall be deferred until the subject matter shall be considered at a meeting of the Board.
9. 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. Minutes of meetings
10. Subject to the provisions of paragraph 8 relating to quorum, flexible Board may act notwithstanding any vacancy in the membership thereof 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 a member thereof. Vacancies, etc not to invalidate proceedings
11. All orders, directions, notices or documents made or issued by the Board shall be signed by- Orders directions etc
- (a) the Director-General ; or
- (b) any member of the Board or other officer of title organization authorized in writing by the Director-General in that behalf.
12. The seal of the Board shall not be affixed to any instrument except in the Seal of presence of the, Director-General or the Chairman or the Vice-Chairman or the Board Secretary and at least one other Member of the Board.

Board may
regulate own
proceedings

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

Passed in the National Assembly on the twenty-second day of
November, 1973.

MMwindadi

Clerk of the National Assembly