

CHAPTER 112

THE SMALL INDUSTRIES DEVELOPMENT ORGANISATION ACT [PRINCIPAL LEGISLATION] ARRANGEMENT OF SECTIONS

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SCHEDULE

CHAPTER 112

THE SMALL INDUSTRIES DEVELOPMENT ORGANISATION ACT

An Act to establish the Small Industries Development Organisation.

[7th December, 1973]

Acts Nos.
28 of 1973
12 of 2023

Short title

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

Interpretation
Act No
12 of 2023 s.56

2. 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;

“industry or enterprise” means any going concern by group of persons, an individual or entity which trades in, or produces goods or services for profit;

“medium industry or enterprise” means any industry or enterprise employing between fifty and ninety nine people or with capital investment from two hundred million shillings to eight hundred million shillings;

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

“micro industry or enterprise” means any industry or enterprise engaging up to four people or employing capital amounting up to five million shillings;

“Minister” means the Minister responsible for industries;

“Organisation” means the Small Industries Development Organisation established under section 3.

“small industry or enterprise” means any industry or enterprise engaging five to forty nine people or with capital investment from five million shillings to two hundred million shillings.

Establishment of Organisation

3.—(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.

Composition and proceedings of Board

4.—(1) There shall be a Board 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.

Functions of Organisation
Act No
12 of 2023 s.57

5. The functions of the Organisation shall be-

- (a) to promote the development of micro, small and medium industries in Tanzania;
- (b) to plan and co-ordinate the activities of micro, small and medium industry enterprises;
- (c) to carry out market research in goods manufactured by micro, small and medium industries in Tanzania;
- (d) to provide services necessary for or incidental to proper development of micro, small and medium industries to parastatal organisations and other persons engaged in micro, small and medium industry enterprises;

- (e) to advise the Government on all matters relating to the development of micro, small and medium industries in Tanzania;
- (f) to carry out research in the development of micro, small and medium industries and marketing of their products including the standard and quality of such products;
- (g) to facilitate orderly and balanced development of micro, small and medium industries in the regions;
- (h) to provide technical assistance to persons engaged in micro, small and medium industries;
- (i) to provide and promote trainings and facilities for persons engaged in or employed or to be employed in micro, small and medium industries and to assist and co-ordinate the activities of other institutions engaged in such training;
- (j) to provide management and consultancy services to micro, small and medium industry enterprises;
- (k) to co-ordinate and supervise business development service providers for micro, small and medium industries or enterprises;
- (l) to lend or advance money to any person, company, corporation, association, institution or group of persons engaged in micro, small and medium industry or enterprise;
- (m) to undertake or assist any institution or person in the undertaking of technological research and to encourage and promote technological advancement in Tanzania; and
- (n) to perform such other functions which the President may, by order published in the *Gazette*, confer upon the Organisation.

Powers of Board
Act No
12 of 2023 s.58

6.-(1) Subject to the provisions of this Act, the management and control of the Organization shall vest in the Board of Directors.

(2) Without prejudice to the generality of subsection (1), the Board of Directors shall have powers to-

- (a) administer properties of the Organisation, both movable and immovable;
- (b) approve the annual financial budget and annual financial statements of the Organisation;
- (c) approve Organisation Strategic Plan, Policy Guidelines and Procedures relating to aims and objectives of the Organisation;
- (d) review and supervise the performance of the Organisation;
- (e) ensure the Act, regulations and rules made thereunder are duly observed;
- (f) constitute such committees as it may deem necessary or expedient to assist the Board in the performance of its functions;
- (g) appoint officers of the Organisation which it may consider necessary; and
- (h) perform all other acts and things which may be provided for in this Act or as may be necessary or expedient for the proper discharge of the functions of the Organisation.

Director General
Act No
12 of 2023 s.59

7.-(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 and secretary to the Board.

(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.

Minister may
give directions to
Organisation

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

Funds of
Organisation

9. The funds and resources of the Organisation shall consist of-

- (a) any sums which may be provided for purposes of the Organisation by parliament, either by way of grant or loan;

- (b) any sums which the Organisation may, 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.

Appointment of employees

10. The Board may 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.

Remuneration and allowance of members

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

Superannuation benefits

12. 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.

Powers of Board to delegate

13.-(1) Subject to subsection (5), the Board may 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 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) A delegation made under this section shall not 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 annual budget or any supplementary budget or receipts and expenditure, the annual balance sheet or any statement of account.

Annual and
supplementary
budget
Act. No.
12 of 2023 s. 60

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 Organisation during that financial year.

(3) Where 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) 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.

Director General's
report

15. 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.

Investment
Cap. 53

16. With the prior approval of the Minister, the Board may 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.

Power to borrow

17.-(1) With the prior approval of the Minister, the Board may 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 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.

Accounts and audit
Cap. 418

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 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 Controller and Auditor-General established under the Public Audit Act.

(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 where adopted by the Board shall be endorsed with a certificate that it has been so adopted.

Laying of
accounts
before National
Assembly

19. The Minister shall, as soon as practicable after he has received the financial reports under section 18(3) 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 the 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.

Power to make
regulations
Act No
12 of 2023
s. 61

20.—(1) The Minister may make regulations for the better carrying out of the provisions and purposes of this Act.

(2) Without prejudice to the generality of subsection (1), the regulations may provide for-

- (a) recognition of private persons or institutions providing business development services for micro, small and medium industries or enterprises;
- (b) manner and procedures for recognition, nurturing and developing micro, small and medium industry or enterprise;
- (c) manner and procedures for trainings;
- (d) matters in respect of which fees and other charges shall be payable; and
- (e) prescribing any other thing which under this Act is required or permitted to be prescribed.

SCHEDULE

(Made under section 4(2))

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.**—(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 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.
- Secretary** **4.** The Board shall appoint a suitable person to be the Secretary of the Board.
- Absent member to be replaced at meetings** **5.** Where a member is unable for any reason to attend a meeting, the Board or the Minister, as the case may be, which he represents, may, in writing, nominate another person in his place for the purpose of that meeting.
- Casual vacancies** **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 his place and the person so appointed shall hold office for the remainder of the term of office of his predecessor.
- Meetings** **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 the meeting.
 (2) 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.
 (3) 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 and 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).
 (4) The Chairman, the Vice-Chairman, or the temporary Chairman elected in accordance with the provisions of paragraph 8 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.
- Quorum** **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.

(2) In the absence of the Chairman from a meeting of the Board, the Vice-Chairman shall preside or 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 and 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.

Minutes of meetings	9. Minutes in proper form of each meetings of the Board shall be kept and confirmed by the Board at the next meeting and signed by the Chairman of the meeting.
Vacancies, etc., not to invalidate proceedings	10. Subject to the provisions of paragraph 8 relating to quorum, the Board may act notwithstanding any vacancy in its membership and an act or proceeding of the Board shall not be invalid by reason only of some defect in the appointment of a person who purports to be its member.
Orders, directions, etc.	11. All orders, directions, notices or documents made or issued by the Board shall be signed by- <ul style="list-style-type: none"> (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.
Seal of Board	12. 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.
Board may regulate its own proceedings	13. Subject to the provisions of this Schedule, the Board shall have power to regulate its own proceedings.