

THE PRODUCTION DEVELOPMENT FUNDS (ESTABLISHMENT  
AND MANAGEMENT) ACT, 1974

ARRANGEMENT OF SECTIONS

<i>Section</i>	<i>Title</i>
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SCHEDULE

## THE UNITED REPUBLIC OF TANZANIA



NO. 21 OF 1974

I ASSENT,

*Julius K. Nyerere*  
 President

20<sup>TH</sup> AUGUST, 1974

**An Act to provide for the establishment of production development funds and the management of such funds**

[1st JULY, 1974]

ENACTED by the Parliament of the United Republic of Tanzania.

1. This Act may be cited as the Production Development Funds (Establishment and Management) Act, 1974, and shall come into operation on the first day of July, 1974. Short title and commencement

2. In this Act, unless the context otherwise requires— Interpretation

“financial year” shall have the same meaning as that expression has in the Exchequer and Audit Ordinance; Cap. 439

“Minister” means the Minister for the time being responsible for finance;

“fund” means a production development fund established by or under this Act;

“parastatal organization” means—

(a) a body corporate established by or under any Act or Ordinance other than the Companies Ordinance; Cap. 212

(b) the Tanganyika African National Union, any organ of the Tanganyika African National Union and every body of persons whether corporate or unincorporate which is affiliated to the Tanganyika African National Union;

(c) a trade union registered under the Trades Union Ordinance; Cap. 318

- (c) every order made under this subsection shall be submitted for the approval, to be signified by resolution, of the National Assembly within four weeks of the order being made or, if the National Assembly is not meeting or does not meet within such period, at its next meeting and unless such order is so approved, such order shall expire and any fund established pursuant thereto shall forthwith be wound up;
- (d) the provisions of paragraph (c) of this proviso shall take effect subject to the proviso to section 4.

4. The resources of each fund shall be—

Resources  
of funds

- (a) such sums as may be provided for the fund by Parliament, either by way of grant or loan;
- (b) such allocation of public revenue raised by taxation or otherwise as may be specified in relation to the fund in the fourth column of the Schedule to this Act;
- (c) such sums as may in any manner become payable to or vested in the fund either under the provisions of any written law or incidental to its administration by the parastatal organization charged with the management of the fund:

Provided that any provision in any order made under subsection (3) of section 3 which provides for the allocation to any fund of any revenue raised by taxation or amends or varies any such allocation, such provision of the order shall not take effect until after such order has been approved by the National Assembly as provided for in paragraph (c) of the proviso to the said subsection.

5.—(1) The parastatal organization charged with the management of any fund shall maintain such fund in a separately designated bank account with the National Bank of Commerce and shall manage the same in accordance with such directions as the Minister may from time to time issue:

Management  
of funds

Provided that the parastatal organization shall make no payment out of the fund save with the consent in writing of the Treasury Registrar in accordance with the agreed annual expenditure programme.

(2) Where any payment out of the fund is made for the purchase of any equity investment, such equity investment shall be held by—

- (a) the parastatal organization charged with the management of the fund; or
- (b) any other parastatal organization; or
- (c) the Treasury Registrar,

as the Treasury Registrar may direct, and any parastatal organization holding any such equity investment shall, at any time, on the direction of the Treasury Registrar, transfer the same to any other parastatal organization specified by the Treasury Registrar or to the Treasury Registrar.

- (d) any company registered under the Companies Ordinance not less than fifty per centum of the issued share capital of which is owned by the Government or a parastatal organization or, where the company is limited by guarantee, a company in respect of which the amount that the Government or the parastatal organization which is a member of such company has undertaken to contribute in the event of the company being wound up is not less than fifty per centum of the aggregate amount which all the members have undertaken to contribute; and references in this paragraph to a parastatal organization include references to any such company.

Establishment of funds

3.—(1) There are hereby established production development funds specified in the first column of the Schedule to this Act for the purposes specified opposite thereto in the second column of the said Schedule.

(2) Every production development fund shall be managed by the parastatal organization specified in relation thereto in the third column of the Schedule to this Act.

(3) The Minister may by order in the *Gazette*, amend the Schedule to this Act so as to establish production development funds in addition to those specified in the said Schedule or to discontinue and wind-up any fund established by or under this Act or to amend any of the particulars in any of the columns in the said Schedule:

Provided that—

(a) no fund shall be established under this subsection—

(i) unless in the opinion of the Minister the establishment of such fund will significantly contribute to enhancement of the productive capacity of the United Republic;

(ii) for any purpose other than—

(A) the financing, whether by way of loan or equity, of fixed investment by a parastatal organization engaged in the production of goods or services;

(B) the financing, whether by way of loan or grant, of research by or for the benefit of parastatal organizations or other institutions engaged in the production of goods or services;

(C) the financing, whether by way of loan or grant, of the training of citizens of the United Republic by or for the benefit of parastatal organizations or other institutions engaged in the production of goods or services, including the provision of buildings, equipment and ancillary facilities reasonably necessary for the carrying out of the training programme;

(b) no person other than a parastatal organization shall be charged with the management of any such fund so established;

- (c) every order made under this subsection shall be submitted for the approval, to be signified by resolution, of the National Assembly within four weeks of the order being made or, if the National Assembly is not meeting or does not meet within such period, at its next meeting and unless such order is so approved, such order shall expire and any fund established pursuant thereto shall forthwith be wound up;
- (d) the provisions of paragraph (c) of this proviso shall take effect subject to the proviso to section 4.

4. The resources of each fund shall be—

Resources  
of funds

- (a) such sums as may be provided for the fund by Parliament, either by way of grant or loan;
- (b) such allocation of public revenue raised by taxation or otherwise as may be specified in relation to the fund in the fourth column of the Schedule to this Act;
- (c) such sums as may in any manner become payable to or vested in the fund either under the provisions of any written law or incidental to its administration by the parastatal organization charged with the management of the fund:

Provided that any provision in any order made under subsection (3) of section 3 which provides for the allocation to any fund of any revenue raised by taxation or amends or varies any such allocation, such provision of the order shall not take effect until after such order has been approved by the National Assembly as provided for in paragraph (c) of the proviso to the said subsection.

5.—(1) The parastatal organization charged with the management of any fund shall maintain such fund in a separately designated bank account with the National Bank of Commerce and shall manage the same in accordance with such directions as the Minister may from time to time issue:

Management  
of funds

Provided that the parastatal organization shall make no payment out of the fund save with the consent in writing of the Treasury Registrar in accordance with the agreed annual expenditure programme.

(2) Where any payment out of the fund is made for the purchase of any equity investment, such equity investment shall be held by—

- (a) the parastatal organization charged with the management of the fund; or
- (b) any other parastatal organization; or
- (c) the Treasury Registrar,

as the Treasury Registrar may direct, and any parastatal organization holding any such equity investment shall, at any time, on the direction of the Treasury Registrar, transfer the same to any other parastatal organization specified by the Treasury Registrar or to the Treasury Registrar.

(3) The Minister may, by regulations, regulate the administration of the funds.

(4) Any person who makes or authorizes any payment out of the fund in contravention of any provision of this Act or of any direction given or of regulation made under this section shall be guilty of an offence and shall be liable, on conviction, to a fine not exceeding fifty thousand shillings or to imprisonment for a term not exceeding five years or to both such fine and such imprisonment.

Accounts  
and audit

6.—(1) The parastatal organization charged with the management of any fund shall cause to be provided and kept proper books of account of the payments made into and out of the fund.

(2) The accounts in relation to each fund shall be audited annually by the Tanzania Audit Corporation and the audited accounts of the fund shall be published at the same time as the audited accounts of the parastatal organization charged with the administration of the fund are published.

This Act to  
apply not-  
withstanding  
any other  
written law

7. The provisions of this Act shall apply and take effect notwithstanding the provisions of the Exchequer and Audit Ordinance or any other written law and any allocation of any public revenue to any fund provided for in the fourth column of the Schedule to this Act shall be made without further appropriation.

## SCHEDULE

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
<i>Production Development Fund</i>	<i>Purposes for which fund established</i>	<i>Parastatal organization responsible for management</i>	<i>Financial Resources</i>
1. Sugar and Sugar Products Fund	(a) Financing, by way of loan or equity, of fixed investments by parastatal organizations engaged in the production of sugar or sugar products; (b) Financing, by way of loan or grant, research by or for the benefit of organizations engaged in the production of sugar or sugar products; (c) Financing, by way of loan or grant, training of citizens of the United Republic by or for the benefit of organizations engaged in the production of sugar or sugar products.	The Sugar Development Corporation established by the Sugar Development Corporation (Establishment) Order, 1974 (Government Notice No. 44 of 1974) made under the Public Corporations Act, 1969.	(a) The whole of the sales tax levied on sugar; (b) The balance of the Sugar Development Fund held by the Sugar Board, which balance shall be transferred to the Sugar Development Corporation for the payment into the Sugar and Sugar Products Fund.
2. Sisal Products Fund	(a) Financing, by way of loan or equity, of fixed investments by parastatal organizations engaged in the production of sisal products; (b) Financing, by way of loan or grant, research by or for the benefit of organizations engaged in the production of sisal products; (c) Financing, by way of loan or grant, training of citizens of the United Republic by or for the benefit of organizations engaged in the production of sisal products.	Tanzania Sisal Authority established by the Sisal Industry Act, 1973.	One-half of the Export Tax levied on sisal: Provided that the amount so paid into the Sisal Products Fund shall not exceed Shs. 40,000,000/- in any financial year.
3. Textiles and Garments Fund	(a) Financing, by way of loan or equity, of fixed investments by parastatal organizations engaged in the production of textiles, textile products and garments; (b) Financing, by way of loan or grant, research by or for the benefit of organizations engaged in the production of textiles, textile products and garments; (c) Financing, by way of loan or grant, training of citizens of the United Republic by or for the benefit of organizations engaged in the production of textiles, textile products and garments.	The National Textile Corporation established by the National Textile Corporation (Establishment) Order, 1973 (Government Notice No. 268 of 1973) made under the Public Corporations Act, 1969.	(a) One-half of the export tax levied on cotton; (b) One-tenth of the sales tax levied on locally manufactured articles falling within tariff numbers 51/53/55/56/57/58 and 60-01.

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
<i>Production Development Fund Purposes for which fund established</i>		<i>Parastatal organization responsible for management</i>	<i>Financial Resources</i>
4. Beverages Fund	(a) Financing, by way of loan or equity, of fixed investments by parastatal organizations engaged in the production of beverages including soft and alcoholic beverages; (b) Financing, by way of loan or grant, research by or for the benefit of organizations engaged in the production of beverages including soft and alcoholic beverages; (c) Financing, by way of loan or grant, training of citizens of the United Republic by or for the benefit of organizations engaged in the production of beverages including soft and alcoholic beverages.	The National Development Corporation established by the National Development Corporation (Establishment) Order, 1969 (Government Notice No. 90 of 1969) made under the Public Corporations Act, 1969.	(a) Sales tax levied on beer to the extent of cts. -/20 per litre; (b) Sales tax levied on soft drinks to the extent of cts. -/20 per litre; (c) Sales tax levied on Konyagi to the extent of Shs. 5/- per litre.
5. Cashew Industry Fund	(a) Financing, by way of loan or equity, of fixed investments by parastatal organizations engaged in the production, processing and marketing of cashew nuts; (b) Financing, by way of loan or grant, research by or for the benefit of organizations engaged in the production, processing and marketing of cashew nuts; (c) Financing, by way of loan or grant, training of citizens of the United Republic by or for the benefit of organizations engaged in the production, processing and marketing of cashew nuts.	The Cashewnut Authority of Tanzania established by the Cashewnut Industry Act, 1973.	One-half of the export tax on cashew nuts.
6. Leather and Leather Products Fund	(a) Financing, by way of loan or equity, of fixed investments by parastatal organizations engaged in the production of leather or leather products; (b) Financing, by way of loan or grant, research by or for the benefit of organizations engaged in the production of leather or leather products; (c) Financing, by way of loan or grant, training of citizens of the United Republic by or for the benefit of organizations engaged in the production of leather or leather products.	The National Development Corporation.	The whole of the production tax on hides and skins levied under the Hides and Skins (Production Tax) Act, 1974.



COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4
<i>Production Development Fund</i>	<i>Purposes for which fund established</i>	<i>Parastatal organization responsible for management</i>	<i>Financial Resources</i>
7. Tourism Fund	Financing, by way of loan or equity, of fixed investments by parastatal organizations engaged in the promotion of tourism in the United Republic.	The Tanzania Tourist Corporation established by the Tanzania Tourist Corporation (Establishment) Order, 1969 (Government Notice No. 91 of 1969) made under the Public Corporations Act, 1969.	The whole of the hotel levy collected under the Hotel Levy Act, 1972.
8. Commercial Accountants and Auditors Training Fund	Financing, by way of loan or grant, training of citizens of the United Republic as accountants and auditors having regard to the requirements of the parastatal sector.	The National Board of Accountants and Auditors established by the Auditors and Accountants (Registration) Act, 1972.	One-fifth of the business licence fees collected under the Business Licensing Act, 1972.
9. Transport and Vehicle Operation and Maintenance Training Fund	Financing, by way of loan or grant, training of citizens of the United Republic as— (a) motor-vehicle operators; (b) motor-vehicle maintenance and repair personnel; (c) store-keepers, stock clerks and purchasing officers in the motor vehicle industry.	The Treasury Registrar.	One-half of the transport licensing fees levied under the Transport Licensing Act, 1973
10. Rural Productivity Fund	Financing, by way of loan or grant, of training of citizens of the United Republic in book-keeping, accounting, financial management, husbandry farm management, construction, public health and other skills relevant to the raising of rural productivity with special reference to the needs of ujamaa villages.	The Governing Body of the Co-operative College established by the Co-operative College Act, 1964.	(a) One-tenth of the export tax levied on coffee; (b) One-half of the tobacco tax levied under the Tobacco (Imposition of Tax) Act, 1970.

Passed in the National Assembly on the twenty-fourth day of July, 1974.

*M. Mwindadi*  
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Acting Clerk of the National Assembly