



**AN ACT TO ESTABLISH ZANZIBAR ECONOMIC  
EMPOWERMENT AGENCY AND OTHER  
MATTERS RELATED THERETO**

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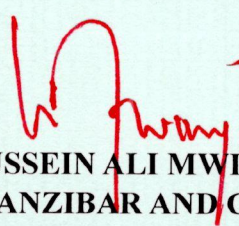
**SCHEDULE**





ACT NO. 2 OF 2022

I ASSENT

  
{DR. HUSSEIN ALI MWINYI}  
PRESIDENT OF ZANZIBAR AND CHAIRMAN OF  
THE REVOLUTIONARY COUNCIL

..... 21 March, 2022

**AN ACT TO ESTABLISH ZANZIBAR ECONOMIC EMPOWERMENT  
AGENCY AND OTHER MATTERS RELATED THERETO**

**ENACTED** by the House of Representatives of Zanzibar.

**PART ONE  
PRELIMINARY PROVISIONS**

Short title  
and Com-  
mencement.

1. This Act may be cited as the Zanzibar Economic Empowerment Agency Act, 2022 and shall come into operation after being assented to by the President and published in the Gazette.

Application.

2. Notwithstanding the provisions of any other law, this Act shall apply to all matters relating to economic empowerment for entrepreneurs and businessmen registered in Zanzibar.

Interpretation.

3. In this Act unless the context otherwise requires:

“Agency” means Zanzibar Economic Empowerment Agency established under the provisions of this Act;

“Applicant” means entrepreneur or businessman who applies in the Agency for economic empowerment services;





- “Businessman” means any person who has already engaged in lawful business activities;
- “Board” means Board of Directors of the Agency established under the provisions of this Act;
- “Credit” means all sum of moneys or equipment loaned to entrepreneur or businessman to enable him to start or improve his economic activities subject to repayment;
- “Economic activities” means any lawful and acceptable activities in the context of Zanzibar whether formal or informal aiming at income generating and improving living standard of entrepreneur or businessman;
- “Economic empowerment” means a set of interventions which includes financial empowerment, skills, training, infrastructure, advice or market linkages which enable entrepreneur or businessman to carry out successful economic activities;
- “Education program” means all activities related to imparting knowledge and experience to entrepreneur or businessman to carry out his economic activities;
- “Entrepreneur” means a registered individual or groups willing to take calculated risk in economic empowerment activities in order to achieve certain expected economic gains;
- “Executive Director” means Executive Director of the Agency appointed under the provisions of this Act;
- “Fund” means Zanzibar Economic Empowerment Fund established under the provisions of this Act;
- “Financial institution” means an institution dealing with financial or monetary transactions;
- “Government” means the Revolutionary Government of Zanzibar;
- “Marketing” means all processes that facilitate the exchange of goods, products or services with something of value in return;





“Minister” means Minister responsible for economic empowerment affairs;

“President” means the President of Zanzibar and Chairman of the Revolutionary Council;

“Register” means a register established under the provisions of this Act;

“Training” means transfer of skills to entrepreneur or businessman to enable him to perform his economic activities effectively.

## **PART TWO ESTABLISHMENT OF THE AGENCY**

Establishment  
of the Agency.

**4.-(1)** There is hereby established an Agency to be known as the Zanzibar Economic Empowerment Agency with its acronym ZEEA.

(2) The Agency shall be a semi-autonomous body of the Government by its nature and status and shall, subject to the approval to the Minister by its name, be capable to:

- (a) entering into any contract or transaction;
- (b) acquiring, purchasing, holding and disposing any movable and immovable property;
- (c) borrowing or lending money; and
- (d) performing or doing any act or thing which the Agency by its nature may by law perform.

Seal and  
Logo of the  
Agency.

**5.-(1)** There shall be a common seal and logo of the Agency in shape and size as may be determined by the Board.

(2) The application of the acronym, seal and logo of the Agency on any document shall be authenticated by the signature of the Executive Director.

(3) Any document purporting to be an instrument issued by the Agency shall be sealed with the seal of the Agency and authenticated in accordance with the provisions of the subsection (2) of this section.





Functions of  
the Agency.

6. The Agency shall have the following functions:

- (a) planning and budgeting;
- (b) providing advice to the Government, public and private institutions on specific issues and measures aimed at the promotion of economic empowerment in Zanzibar;
- (c) providing or co-ordinating training and education programs, consultancy services, markets and provision of capital to entrepreneurs or businessmen;
- (d) collaborating and partner with National and International Institutions for effective implementations of its mandates;
- (e) identifying, verifying and linking entrepreneurs and businessmen with financial institutions;
- (f) advising on the establishment and strengthening of individual or communal groups, partnerships or joint ventures in economic activities;
- (g) promoting research on economic activities and foster linkage with research institutions;
- (h) establishing and maintaining sector and multi-sector economic empowerment information management system and facilitate information dissemination;
- (i) recommending on the modalities and measures to be taken that ensure the availability of credit facilities;
- (j) inquiring or inspecting documents related to conduct of entrepreneur or businessman;
- (k) identifying potential entrepreneur or businessman for the purpose of engaging him in empowerment programs;
- (l) promoting saving and investment;
- (m) developing business ideas;
- (n) identifying and research on markets for goods and services produced by entrepreneur or businessman;





- (o) facilitating loans disbursement and ensure timely repayment;
- (p) linking entrepreneur or businessman with vocational training centres;
- (q) bringing together entrepreneurs or businessmen with common interests in economic activities to form cluster;
- (r) registering or canceling entrepreneur or businessman in the register;
- (s) mobilizing resources from internal and external sources; and
- (t) performing any other function which deems necessary.

Powers of the Agency.

7. The Agency shall have the following powers:

- (a) issuing procedures for registration;
- (b) developing guidelines for implementation of economic empowerment programs and policy;
- (c) guaranteeing the credit given to entrepreneurs and businessmen by financial institutions which have agreement with the Government; and
- (d) supervising the compliance of the provisions of this Act.

### **PART THREE ADMINISTRATION AND MANAGEMENT OF THE AGENCY**

Establishment and Composition of a Board.

8.-(1) There shall be a Board of Directors of the Agency which shall be composed of:

- (a) Chairperson who shall be appointed by the President;
- (b) Executive Director as an ex-officio member;
- (c) One member from Ministry responsible for Empowerment;
- (d) One member from Ministry responsible for Finance; and
- (e) Four members from different sectors.

(2) Members under paragraph (c), (d) and (e) of subsection (1) of this section, shall be appointed by the Minister based on experience, skills, professionalism and gender.





Qualifications  
of the  
Chairperson.

**9.** A person shall qualify to be appointed as a Chairperson of the Board if that person has:

- (a) at least first degree from the University recognized by the Government;
- (b) working experience of at least five years and high level of competence to manage effectively affairs of the public or private bodies; and
- (c) high level of integrity.

Vice  
Chairperson.

**10.** The members of the Board shall elect one among them to be a Vice-Chairperson of the Board.

Secretary of  
the Board.

**11.-(1)** The Board shall appoint a public servant with the following qualifications to be a Secretary to the Board:

- (a) at least first degree from the University recognized by the Government;
- (b) must have high level of integrity;
- (c) must be able to use Information Communication Technology equipment;  
and
- (d) must be able to keep secret.

(2) The Secretary of the Board shall be accountable to the Board, and shall:

- (a) take the accurate minutes of meetings of the Board;
- (b) maintain the correct and sufficient records of the Board;
- (c) give proper notifications of the meetings of the Board to the members;
- (d) provide correct advice to the Board when so needed; and
- (e) perform any other functions as directed by the Board.

Functions of  
the Board.

**12.** The Board shall have the functions, to:

- (a) supervise the general administration of the Agency;





- (b) approve fees and charges to be levied for services offered by the Agency;
- (c) advise the Minister in matters relating to development and administration of the Agency;
- (d) ensure effective implementation of the policies approved by the Minister that governs operation of the Agency;
- (e) coordinate, supervise and approve the implementation of strategic plan, annual work plan, budget, implementation reports, policies and guidelines of the Agency;
- (f) approve reports of the Agency to be submitted to the Minister;
- (g) advise the Government on the matters related to economic empowerment program;
- (h) enable the Fund to effectively implement its roles;
- (i) monitor the performance of the Fund operations;
- (j) ensure that the Fund is sustainable through designing other sources of funding;
- (k) design appropriate measures for improving efficiency in credit delivery and recovery;
- (l) evaluate the performance of the Fund and document best practices to be used to sensitize and improve the Fund activities;
- (m) approve all loans presented before it; and
- (n) perform any other function which deems necessary.

Powers of  
the Board.

**13.**-(1) Subject to the provisions of this Act, the general supervision and policy guidelines with respect to the conduct of the functions of the Agency shall be vested to the Board.

(2) Without prejudice to the generality of the provisions of subsection (1) of this section, the Board shall have powers to:

- (a) recruit staff of the Agency in accordance with the Public Service Act;





- (b) take disciplinary measures against employee of the Agency in accordance with the Public Service Act and its regulations;
- (c) ask for information or call for the record of any matter in relation to empowerment decided by the Agency; and
- (d) intervene at any time in the Fund operation to avoid risk related to loss or defaults.

Allowances of the members.

**14.** The Chairperson and other members of the Board shall be entitled to be paid such allowances in accordance with the Public Service Act and other relevant laws.

Proceedings of the Board.

**15.** Provisions relating to proceedings of the Board shall be as prescribed in the Schedule of this Act.

Appointment of the Executive Director.

**16.**-(1) There shall be an Executive Director of the Agency who shall be appointed by the President.

(2) The Executive Director shall be the Chief Executive Officer of the Agency.

Qualifications of the Executive Director.

**17.** A person shall qualify to be appointed as the Executive Director, if that person:

- (a) has at least first degree from the University recognized by the Government;
- (b) has working experience of not less than five years; and
- (c) has high level of integrity.

Departments, divisions and units.

**18.**-(1) The Agency may establish departments, divisions or units as may deem necessary in accordance with the provisions of the Public Service Act.

(2) The heads of departments shall be appointed by the Board based on their related qualifications and experience.

(3) The heads of divisions or units shall be appointed by the Executive Director based on their related qualifications and experience.

(4) The heads of departments, divisions and units shall be accountable to the Executive Director.





Staff of the Agency.

**19.** There shall be staff of the Agency to be employed under the terms and conditions in accordance with the provisions of the Public Service Act and its regulations.

Establishment of a Steering Committee.

**20.**-(1) There shall be a Steering Committee of the Agency which is composed of:

- (a) the Executive Director who shall be the Chairperson; and
- (b) all Directors of the Departments of the Agency.

(2) The Steering Committee may invite any technical person in its meetings when deems necessary.

Functions of the Steering Committee.

**21.**-(1) The Steering Committee shall have the following functions, to:

- (a) link the Agency and other sectors on matters related to economic empowerment;
- (b) critical analyze and recommend on application submitted to the Agency by applicant;
- (c) advise the Agency on entrepreneur or businessman's alternative undertaking;
- (d) review action plan and budget of the Agency;
- (e) advise on the improving and strengthening economic empowerment activities;
- (f) prepare a report and share it with relevant stakeholders; and
- (g) perform any other function as the Board instructs.

(2) Steering Committee shall meet every month and shall report to the Board.

#### **PART FOUR ZANZIBAR ECONOMIC EMPOWERMENT FUND**

Establishment of Zanzibar Economic Empowerment Fund.

**22.** There is hereby established a Fund to be known as the Zanzibar Economic Empowerment Fund.





Administration and management of the Fund.

**23.** The Fund shall be administered and managed by the Executive Director under the directives of the Board.

Sources of the Fund.

**24.** The capital and operating expenses of the Fund shall be financed by:

- (a) monies appropriated by the House of Representatives;
- (b) such lawful grants, donation, contribution and other monies received by the Fund from other eligible sources;
- (c) income accruing or earned to the Fund through training, consultancy and any other activities conducted by the Fund;
- (d) loan given to the Agency;
- (e) monies allocated by the Local Government Authorities for economic empowerment;
- (f) incomes from financial services provided by the Fund;
- (g) fees and fines from client as prescribed in the regulations; and
- (h) any other lawful monies from other empowerment programs.

Objectives of the Fund.

**25.-(1)** The objectives of the Fund shall be to facilitate the economic empowerment activities which include, to:

- (a) put in place effective systems of economic empowerment for sustainable use;
- (b) strengthen credit facilities to entrepreneurs and businessmen in rural and urban areas;
- (c) put in place a system of collaboration with financial institutions for smooth operation and wider coverage;
- (d) supervise effective recovery of loans disbursed to entrepreneur or businessman as prescribed in the credit guidelines;
- (e) collect, analyze information and produce implementation and performance reports; and





(f) contribute to the creation of employment opportunities.

(2) In exercising its functions, the Fund shall consider the special groups in the society.

Audit of the Fund.

**26.** The Fund shall be audited in accordance with the Public Finance Management Act and any other relevant laws.

## PART FIVE FINANCIAL PROVISIONS

Sources of funds.

**27.**-(1) The funds and resources of the Agency shall consist of:

- (a) such sums as may be approved by the House of Representatives;
- (b) moneys received by the Agency for services rendered by the Agency;
- (c) such lawful grants, gifts, donation, contributions, loans or investment as the Agency may receive from any person or institution; and
- (d) any such other moneys that may vest or legally acquired by the Agency whether in the course of its operations or otherwise.

(2) All financial transactions of the Agency shall be made and governed in accordance with the Public Finance Management Act and any other financial law.

Budget of the Agency.

**28.**-(1) The Executive Director shall, in respect of every financial year, submit to the Board for deliberation and recommendations on detailed estimates of the income and expenditure for the Agency for the next financial year.

(2) Upon deliberation and recommendations by the Board, the budget of the Agency shall be dealt in the same manner as part of the budget of the Ministry.

(3) The estimates of income and expenditure of the Agency shall be prepared subject with the requirements and provisions of the Public Finance Management Act and any other directives as may be issued by the Government from time to time.

(4) The Executive Director shall ensure that all payments made by the Agency's funds are correctly made and properly authorized and adequate control is maintained over its property and over the incurring of liabilities by the Agency.





Accounts  
and Audit.

**29.**-(1) The Agency shall properly keep and maintain books of accounts.

(2) The annual financial statements of the Agency shall be audited in accordance with the Public Finance Management Act and other relevant financial laws.

**PART SIX  
REGISTRATION OF ENTREPRENEUR  
AND BUSINESSMAN**

Application  
and proce-  
dures for  
registration.

**30.**-(1) Any entrepreneur or businessman wishing to receive economic empowerment services in accordance with this Act, shall apply for registration to the Executive Director.

(2) The procedures for application made under subsection (1) of this section, shall be as prescribed in the guidelines provided by the Agency.

Register.

**31.**-(1) The Agency shall establish the register of all registered entrepreneurs and businessmen registered by the Agency.

(2) The register shall be in the custody of the Executive Director.

Eligibility  
Criteria for  
registration.

**32.**-(1) Any entrepreneur or businessman who applies for registration in the Agency must possess the following qualifications:

- (a) he is a Zanzibari;
- (b) must have a valid Zanzibar Resident Identity Card;
- (c) must have a valid business licence;
- (d) must be at least 18 years of age;
- (e) must engage in lawful economic activities which are acceptable in the context of Zanzibar;
- (f) he is a person of sound mind; and
- (g) high level of integrity.

(2) Where the entrepreneur or businessman is a company or cooperative society shall be required to have:

- (a) a certificate for local company registration or certificate of cooperative society registration as the case may be;





- (b) a valid business licence if any; and
- (c) must engage in lawful economic activities which are acceptable in the context of Zanzibar.

Certificate of registration.

**33.**-(1) The Executive Director shall, after receiving an application and satisfied with the content required:

- (a) register the entrepreneur or businessman; and
- (b) issue certificate of registration.

(2) The certificate of registration shall be in a form and content as prescribed in the guidelines.

Effect of registration.

**34.**-(1) The certificate of registration issued under this Act, shall be sufficient evidence proving that the entrepreneur or businessman is engaged in the economic activities under the supervision of the Agency.

(2) Notwithstanding the provisions of subsection (1) of this section, the entrepreneur or businessman shall be bound to comply with the provisions of other relevant laws.

Cancellation of the certificate of registration.

**35.**-(1) The Executive Director may at anytime, where the entrepreneur or businessman fails to:

- (a) observe the guidelines or directives of the Agency in the performance of his activities; or
- (b) comply with any of the terms or conditions imposed by the Agency upon registration,

issue a notice requiring the entrepreneur or businessman to observe the guidelines and directives and any other conditions imposed by the Agency within such time as may be prescribed in the notice.

(2) The Executive Director may, where the registered entrepreneur or businessman fails to comply with the requirement specified in the notice under subsection (1) of this section, cancel the certificate of registration in respect of any such entrepreneur or businessman.





Effect of  
Cancellat-  
ion of the  
certificate of  
registration.

**36.**-(1) Where the Executive Director has cancelled the certificate of registration, shall, within fourteen days, notify such entrepreneur or businessman of the decision of the Agency that such entrepreneur or businessman shall no longer be under the supervision of the Agency and be beneficiary of the services rendered by the Agency.

(2) If the certificate of an entrepreneur or businessman is cancelled under subsection (1) of this section, shall be required to pay the debt owed.

## **PART SEVEN OFFENCES AND PENALTIES**

Offences  
and  
penalty.

**37.**-(1) A person who:

- (a) furnishes information or explanation knowing it to be false;
- (b) fails to comply with any order or demanding lawful made;
- (c) obstructs or exerts undue influence on a member of the Board, Executive Director or a staff of the Agency in the performance of functions under this Act;
- (d) uses funds issued by or through a credit facility under the guarantee of the Fund contrary to the purpose for which it was issued;
- (e) steals funds granted under this Act; or
- (f) falsely pretends, utterances of forged document, supplies misleading information or unlawfully procures funds or asset or any other property of the Fund,

commits an offence and shall, upon conviction, be liable to a fine of not less than Three Million Tanzania Shillings and not exceeding Seven Million Tanzania Shillings depending on the gravity of the offence.

(2) In addition to the fine imposed under subsection (1) of this section, the person convicted shall be liable to pay the money due as recovery of the funds.

General  
penalty.

**38.** A person who contravenes any provision of this Act for which no penalty is specifically provided, commits an offence and shall, upon conviction, be liable to a fine of not less than Three Million Tanzania Shillings and not exceeding Five Million Tanzania Shillings.





## PART EIGHT MISCELLANEOUS PROVISIONS

Local Content  
and Corporate  
Social  
Responsibility.

**39.** The local and foreign investors shall comply with local content and corporate social responsibility to promote economic empowerment.

Appeal.

**40.** Any person who is aggrieved by the decision of the Executive Director may appeal to the Minister in accordance with procedures as prescribed in the regulations.

Regulations.

**41.** The Minister may make regulations for better carrying out the provisions of this Act, general conduct and administration of the Agency.

Repeal and  
saving.

**42.**-(1) The Legal Notice No. 114 of 2015 for the Establishment of the Zanzibar Economic Empowerment Fund is repealed upon the commencement of this Act.

(2) Paragraph (f) of section 26 of the Zanzibar Micro, Small and Medium Industrial Development Agency Act, No. 2 of 2018 is hereby repealed.

(3) Notwithstanding the provisions under subsections (1) and (2) of this section, anything done under the Legal Notice No. 114 of 2015 for the Establishment of the Zanzibar Economic Empowerment Fund and paragraph (f) of section 26 of the Zanzibar Micro, Small and Medium Industrial Development Agency Act, No. 2 of 2018 shall be deemed to have been done under the provisions of this Act.





**SCHEDULE**  
**PROCEEDINGS OF THE BOARD**  
**(Under section 15)**

Tenure of members of the Board.

1. Save for an ex-officio member, the Chairperson and other members of the Board shall hold an office for a term of three years from the date of their appointment and may be eligible for re-appointment for another term only.

Meetings of the Board.

2.-(1) The Board shall meet quarterly and may meet for the extraordinary meetings at any time when the need arises for discharging of its functions.

(2) All meetings of the Board shall be presided by the Chairperson, in his absence, the Vice-Chairperson shall preside the meeting of the Board and where the Chairperson and Vice Chairperson are absent, the members present shall elect one among them to preside the meeting.

Quorum.

3. The quorum of all meetings of the Board shall be more than half of its members.

Decisions of the Board.

4. Decisions of the Board shall be made by consensus, where there is no such consensus, the decisions shall be made by votes and where there is an equal votes, the Chairperson shall have a casting vote.

Procedures of the meetings.

5. Subject to the provisions of this Act, the Board shall have power to regulate its own procedures in respect of the meetings and the proper conduct of its activities including committees of the Board.

Co-opted member.

6. The Board may co-opt any person who is not a member of the Board to attend in any deliberations of the meeting of the Board as an expert but the co-opted member shall have no right to vote.

Disclosure of interest.

7.-(1) The member of the Board who has direct or indirect personal interest in a matter being considered or about to be considered by the Board shall, as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest at the beginning of the meeting of the Board.

(2) A disclosure of interest shall be recorded in the minutes of the meeting and the member making such disclosure shall not:

- (a) be present during the deliberations of the Board for the making of the determination; or
- (b) influence any other member in the making the determination





Committees  
of the Board.

8. The Board may, for the purpose of facilitating the performance of its functions, establish committees to perform specific functions as may deem necessary.

Cessation of  
membership.

9. The member shall cease to hold office upon the occurrence of the following:

- (a) resignation;
- (b) if is absent without reasonable excuse for three consecutive meetings of the Board;
- (c) if he becomes incapacitated to perform his duties by reasons of physical or mental health;
- (d) Save the Chairperson and Executive Director, if is terminated by the Minister where he does not meet expectation of the Agency;
- (e) if he ceases to be a representative of the institution which nominated that member; or
- (f) death.

Resignation  
of the Board  
member.

10.-(1) The Chairperson or 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 receipt of the notice by the appointing authority, he shall cease to be a member.

(2) Where a person ceases to be a Chairperson or member of the Board as the case may be, 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.

Delegation of  
the  
functions of  
the Board.

11.-(1) The Board may, if deems fit for the proper discharging of its functions, delegate some of its functions to the Executive Director or a committee of the Board.

(2) Where the Board delegates its functions under subsection (1) of this section, it shall give directives in writing as may be necessary to ensure the proper performance of the functions.





**PASSED** by the House of Representatives of Zanzibar on 3<sup>th</sup> March, 2022.

A handwritten signature in blue ink, appearing to read 'R. Issa Msellem', is written over a horizontal dotted line.

(RAYA ISSA MSELLEM)

*Clerk of the House of Representatives of Zanzibar.*