



THE ZANZIBAR ROADS FUND ACT, 2001

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ACT NO. 2 OF 2001

I ASSENT

Amani Abeid Karume
{ AMANI ABEID KARUME }
PRESIDENT OF ZANZIBAR
AND

CHAIRMAN OF THE REVOLUTIONARY COUNCIL

07th JUNE, 2001

AN ACT TO ESTABLISH THE ROADS FUND, THE
COLLECTION OF REVENUE, AND THE CONTROL
AND MANAGEMENT OF THE FUND AND TO
PROVIDE FOR OTHER RELATED MATTERS

ENACTED by the House of Representatives of Zanzibar

PART I
PRELIMINARY PROVISIONS

Short title.
and
Commencement.

1. This Act may be cited as the Zanzibar Roads Fund Act, 2001 and shall come into operation on such date as the Minister may, by notice published in the Gazette, appoint.

Interpretation.

2. In this Act, unless the context requires otherwise:

"Bank" means a financial institution authorised to receive money on current account subject to withdrawal by cheque;

"Board" means the Roads Fund Board established under section 7 of this Act;

"Fund" means the Zanzibar Roads Fund established under section 3 of this Act

"Fuel Levy" means the road toll first imposed under the budget of the Government, and



payable to the Fund under section 4 of this Act;

"Minister" means the Minister responsible for Finance;

"Officer" means any person in the employment of the Government of Zanzibar;

"Receiver of Revenue" means any officer appointed by the Board for the collection of and for the accounting for, such items of revenue as the Board may specify;

PART II **THE FUND**

The Fund.

3. There is hereby established a Fund to be known as the Roads Fund which shall be kept in the People's Bank of Zanzibar or such other banks as the Board shall from time to time determine and all sums standing to the credit of or paid into such accounts shall form part of the Fund.

Sources of the Fund.

4.(1) There shall be paid into the Fund:-

- (a) all revenues and moneys levied, raised or received as fuel levy as shall be determined by the Board in consultation with the Minister;
- (b) any such sums which the Board may, from time to time, borrow in accordance with the provisions of section 5 of this Act;
- (c) any other sums which may in any manner become payable to or vested in the Board under the Provisions of this Act, or any other written law or incidental in the carrying out of its functions.

(2) The Board may, in the event of persistent shortfall in the revenues of the Fund, request from the Minister extra revenue from the following sources:-



- (a) other fuel revenues;
- (b) the net revenue from road licences;

the Minister may, upon receiving such request accept or refuse to grant any such required sums.

Power to borrow.

5.(1) With the prior approval of the Minister, the Board may authorise the Fund to obtain loans and other credit facilities for the legitimate purposes of the Fund upon such terms and conditions relating to the repayment of the principal and the payment of interest and subject to any directions by the Board.

(2) A person giving any loan or other credit facility to the Board shall be bound to inquire whether the Board has obtained the approval of the Minister for the purpose of the loan or other facility.

Annual and Supplementary Budget.

6.(1) In this part, "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 period longer or shorter than twelve months.

(2) Not less than one month before the beginning of every financial year (other than the first financial year) the Board shall, at a meeting, pass a detailed budget (in this Act called the "annual budget") of the amounts, respectively:-

- (a) expected to be received;
- (b) expected to be disbursed for roads works;
- (c) expected to be utilised on administration purposes by the Board during that financial year.



(3) Where in any financial year the Board requires to make any disbursement not provided for in the annual budget for the year, the Board shall, at a meeting, pass a supplementary budget detailing that disbursement.

(4) Where the Board has approved any annual budget or supplementary budget, whether with or without amendment, the budget as approved by the Board, shall be binding on the management of the Fund, which, subject to the provisions of subsection (5), shall confine the disbursements of the Board within the items and amounts contained in the applicable estimates as approved by the Board.

(5) The Fund management may, with the sanction of the Board, 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 Board within two months of the alteration of expenditure limits becoming necessary.

PART III **THE ROADS FUND BOARD**

Establishment
of the Board.

7.(1) There shall be established a Board which shall be known as the Roads Fund Board which shall be an autonomous organ of the Government.

(2) The Board shall be a body corporate with perpetual succession and common seal and shall be capable in its corporate name of:-

- (a) suing and being sued;
- (b) taking, purchasing or otherwise acquiring, holding, charging and disposing of both movable and immovable property;
- (c) borrowing money;
- (d) entering into contracts;
- (e) doing or performing all such other things or acts necessary for the proper performance



Functions of
the Board.

be:-

- of its functions under this Act which may lawfully be done by a body corporate.
8. The principal functions of the Board shall
- (a) ensuring the Roads Fund revenues are collected and transferred in full to the Fund account;
 - (b) overseeing the expenditure of these revenues to ensure that they are spent effectively, and Board shall:-
 - (i) approve an annual budget and workplan of the Fund at the start of each financial year;
 - (ii) monitor the disbursement of funds on the basis of monthly physical and financial progress reports;
 - (iii) commission technical audit and financial audits from reputable firms every six months;
 - (c) ensuring that road maintenance is always given priority;
 - (d) ensuring that the fuel levy is generating enough revenues to cover the maintenance requirements of Zanzibar's road network and the costs of managing the Roads Fund and making appropriate representations to the Minister if this is not the case;
 - (e) ensuring that the systems for effective management of Zanzibar's road network are operating effectively, which shall include ensuring that the road network is evaluated annually to update the (Road Maintenance Management System);



Composition
and Procedures
of the Board.

- (f) advising the government and donors on the funding requirements of Zanzibar's road network;
- (g) advising the Minister of Communications and Transport on road management and financing policies;
- (h) deciding whether or not the Roads Fund should borrow to cover seasonal variation in road spending, and ensuring that the Fund never defaults on such borrowing;
- (i) supervising, monitoring and enforcing proper use of the Fund;
- (j) leasing as necessary with responsible ministries and other organs of the government with a view to ensuring that the objectives of the Fund are achieved;
- (k) to make such recommendations as it considers necessary to enable the Board to achieve its objectives under this Act.

9.(1) The Boards shall consist of:

- (a) the chairman who shall be appointed by the President;
- (b) one member each from:-
 - (i) Ministry of Finance;
 - (ii) Ministry of communications and Transport;
 - (iii) Ministry of Regional Administration; and special Departments;
 - (iv) Ministry of Water, Construction, Energy and Land;
 - (v) Zanzibar Road Safety Committee;



who shall be appointed by the Minister.

(2) The members of the Board shall, every two years, elect one of their number as Vice-Chairman.

(3) A member of the Board shall, unless his appointment is sooner terminated by the appointing authority, or resigns, or he otherwise ceases to be a member, hold office for a period of two years from the date of his appointment, and shall be eligible for re-appointment.

(4) Where any member of the Board is, by reason of absence from Zanzibar or illness or for other sufficient cause, unable to perform his duties as a member of the Board, the appointing authority may appoint a temporary member in his place, and the temporary member shall hold office until the resumption of duty of the substantive member or until the office of the substantive member expires, whichever first occurs.

(5) When the office of a member of the Board becomes vacant due to resignation or death, the appointing authority may appoint another person in his place and to hold office for the unexpired portion of his term of office.

(6) The Board shall ordinarily meet for the transaction of business at such times and at such places as the Board may decide, but shall meet at least once in every three months.

(7) The Chairman may at any time call a special meeting of the Board and shall call a special meeting upon a written request by a majority of the members of the Board in the office.

(8) The Chairman shall preside at every meeting of the Board and in the absence of the Chairman the Vice-Chairman shall preside and in the absence of both the Chairman and Vice-Chairman the members present shall appoint a member from among themselves to preside such a meeting.



(9) The quorum at a meeting of the Board shall be four members.

(10) Questions proposed at a meeting of the Board shall be decided by the majority of the votes of the members present and in the event of an equality of votes, the Chairman shall have the casting vote.

(11) Notwithstanding the provisions of subsection (10), a decision may be made by the Board without a meeting by circulation of the relevant papers among the members of the Board and the expression of the views of the majority thereof in writing, but any member shall be entitled to require that the decision be deferred and the subject matter be considered at a meeting of the Board.

(12) The Board may at any time co-opt any person or persons to act as an adviser or advisers at any of its meetings but no person so co-opted shall be entitled to vote at the meeting on any matter for decision by the Board.

(13) The Board shall cause to be recorded and kept minutes of all proceedings of its meetings, and the minutes of each meeting of the Board shall be confirmed by the Board at the next meeting and signed by the Chairman of the meeting.

(14) The validity of any act or proceedings of the Board shall not be affected by any vacancy among its members or by any defect of the appointment of any of them.

(15) Where a member of the Board other than the Chairman absents himself for three consecutive meetings of the Board without sufficient cause, the Board shall advise the appointing authority of the fact and the appointing authority may terminate the appointment of the member and cause the appointment of another person in his place.

(16) (i) The application of the official seal of the Fund shall be authenticated by two signatures, namely:-



- (a) the signature of the Chairman or Vice Chairman of the Board or some other member of the Board; and
 - (b) the signature of the Executive Director.
- (ii) Any instrument or contract which, if executed or entered into by a person other than a body corporate, would not require to be under seal, may be executed or entered into on behalf of the Board by the Executive Director;
 - (iii) Every document purporting to be a document executed or issued by or on behalf of the Board is to be -
 - (a) sealed with the official seal of the Agency authenticated in the manner provided by in section 13; or
 - (b) signed by the Executive Director ;

shall be deemed to be executed or issued until the contrary is proved.

(17) Subject to the provisions of this Act the Board may regulate its own proceedings.

(18) Members of the Board shall be paid allowances for attendance at Board Meetings, and that allowances are only to cover actual expenses incurred and shall be approved by the Minister.

Appointment of the Executive Director.

10.(1) The Executive Director of the Roads Fund shall be appointed by the President and shall also be the secretary to the Board.

(2) The Executive Director shall be responsible for the day to day functions of the Fund.



(3) The Executive Director shall be responsible for the determination of liabilities and claims of the Fund.

Committees.

11. The Board may, on such terms and conditions as it may determine, appoint such committees as it may consider necessary to perform such functions or advise the Board on such matters as the Board may direct.

Employees.

12.(1) The Board may appoint such officers and employees as it considers necessary to achieve its objectives and for the efficient discharge of its responsibilities.

(2) The officers and employees appointed under subsection (1) shall be remunerated out of the Fund in such a manner and at such rates and subject to such conditions of service as may be determined by the Board.

(3) Every officer or employee appointed under subsection (1) shall exercise such powers and functions and perform such duties as may be assigned to him from time to time by the Executive Director.

PART IV **AUDIT AND EXAMINATION OF ACCOUNTS**

Seal and execution of documents.

13(1) The common seal of the Fund shall be kept in the custody of the Fund and shall not be affixed to any instrument or document except as authorised by the Board.

(2) All documents other than those required by law to be under seal made by and all decisions of the Board may be signified under the hand of the Chairman or, in the case of decision taken at the meeting at which the Chairman is not present, the Vice Chairman.

Financial and Audit Procedures.

14.(1) The Fund shall keep books of account and maintain proper records in relation to them and the books of account and records of the Fund shall be kept in accordance with accounting standards acceptable to the Controller and Auditor General.



(2) The books of account of the Fund shall be audited by an independent auditor appointed by the Board in consultation with the Controller and Auditor General at such times as the Board may determine but shall be audited at least at the end of each financial year.

(3) The audited accounts and the auditor's report on such accounts shall be submitted to the Board not later than three months after the end of the financial year to which they relate.

(4) It shall be the duty of the Board as soon as possible, but in any case not later than one month, after receipt of the report of the auditor under this section, to forward such report to the Minister.

(5) A copy of the auditor's report shall also be submitted by the Board to the Controller and Auditor-General.

(6) The Board shall, not later than four months after the end of each financial year, submit to the Minister an annual report on the management of the Fund in respect of that financial year, including the balance sheet of the Fund in respect of that year.

(7) The Minister shall lay the report together with his observations on it before the House of Representatives.

PART V

MISCELLANEOUS PROVISIONS

Regulations.

15.(1) The Minister, in consultation with the Minister for Communication and Transport, may make such regulations or give such directions as may appear to him to be necessary and convenient for the effective and full implementation of the intent and purposes of this Act and the safety, economy and advantage of the Fund.

(2) The Minister shall take all proper steps to ensure that any directions given under this section are brought to the notice of all persons directly affected thereby.



(3) All regulations made under this section shall be published in the Gazette.

Taxes.

16. The Fund, as a non-profit making Government institution, shall be exempted from the payment of all taxes and duties.

Passed in the House of Representatives on the 31 January, 2001.

K Chamde

{ KHAMIS JUMA CHANDE }
CLERK OF THE HOUSE OF REPRESENTATIVES