



**THE CLOVE DEVELOPMENT
ACT NO. 2 OF 2014**

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ACT NO. 2 OF 2014

I ASSENT

{DR. ALI MOHAMED SHEIN}
THE PRESIDENT OF ZANZIBAR
AND

THE CHAIRMAN OF THE REVOLUTIONARY COUNCIL

2nd July, 2014

AN ACT TO REPEAL THE CLOVE ACT NO. 11 OF 1985 AND
REPLACE THE CLOVE DEVELOPMENT ACT OF 2014
AND MATTERS RELATED THEREOF

ENACTED by the House of Representatives of Zanzibar

PART I
PRELIMINARY PROVISIONS

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| Short title and Commencement. | 1. This Act may be cited as the Clove Development Act 2014 and shall come into operation immediately upon being assented to by the President. |
| Application. | 2. Unless otherwise provided, this Act shall apply to production and development of cloves. |
| Interpretation. | 3. For the purpose of this Act, unless the context otherwise requires:

"Allied Products" means leaves, any part of the Clove trees and products related to or originating from clove trees;

"Bank" means the bank appointed under section 20 of this Act;

"Board" means the Board of Directors of the Zanzibar State Trading Corporation (ZSTC) established under section 13 of the Act No. 11 of 2011; |



"**Corporation**" means Zanzibar State Trading Corporation established under the Zanzibar State Trading Corporation Act No. 11 of 2011;

"**Cloves**" means the clove whether dried or otherwise, mother of cloves or clove stems and its allied products;

"**Clove Tree**" means a tree that reproduces cloves and includes leaves, twig, branch, trunk and roots;

"**Fund**" means the Cloves Development Fund established under section 4 of this Act;

"**Farmer**" in relation to clove, means a person who grows or cultivates cloves in Zanzibar;

"**incentives**" means any viable support that can contribute to the production and development of cloves which includes rebates, loan, grants, subsidy or any other form;

"**inspector**" means a competent professional person appointed by the Board to conduct an assessment of Cloves plantation projects, quality and safety of produced, value addition, handling, marketing and trade or any other functions related thereto;

"**Lessee**" for the purpose of this Act means any person who lease or rent cloves plantation;

"**Managing Director**" means a Managing Director appointed under section 10 of Zanzibar State Trading Corporation Act No. 11 of 2011;

"**Minister**" means the Minister responsible for Clove;

"**Owner**" in relation to cloves means a person who possesses or owns or receiving rent from cloves whether on his account or on his agent;

"**Other Clove Actors**" means any person who engage in clove plantation, harvesting, leasing or processing;

"**Plantation**" means an area that has been planted the clove trees;

"**President**" means the President of Zanzibar and Chairman of the Revolutionary Council;



"**Public Officer**" includes Inspector, Police, Forest Officer, Counselor, Sheha or any other officer responsible with cloves;

"**Scheme**" means the Cloves Development Scheme established under section 12 of this Act;

"**Seller**" means a person who sells cloves to the Corporation whether for consideration or otherwise;

"**Stakeholder**" means a public dealer in the cloves development including government, cooperative societies, clove research institute, clove farmers, clove buyers and clove farmers associations;

"**Task Force**" means task force established under section 7 of this Act.

PART II ESTABLISHMENT, FUNCTIONS AND MANAGEMENT OF THE CLOVE DEVELOPMENT FUND

Establishment
of the Fund.

4.-(1) There is hereby established a Fund for the development of the clove to be known as the Clove Development Fund.

(2) The Fund shall be administered and controlled by the Board of the Corporation.

(3) In any meeting relating to the activities of the Fund, Board may invite other persons not more than four, who are the stakeholders of the clove development.

Functions of the
Fund.

5. The functions of the Fund shall include the following activities:-

- (a) support and promote improvement and expansion of cloves cultivation, plantation, production, experiments and investigation in connection with clove development;
- (b) provide financial assistance for the promotion of clove farmers for the purposes of raising productivity, extension services support, and sustainably raising the volume of produced quality cloves and allied products;
- (c) facilitate capacity building and competence development in clove cultivation and production;
- (d) support any infrastructure development projects in clove plantation area;



- (e) support branding activities and other marketing information systems;
- (f) support the corporation as a buyer of last resort, in the event of decline of world clove price;
- (g) provide support to priority, and generating cloves operations and activities;
- (h) provide support for conducting clove trees census;
- (i) keep register of farmers, owners, lessees and other actors in cloves value chain for purpose of facilitating clove farming activities to allow effective provision of extension, financial and insurance and other support services;
- (j) support medical and other insurance cover for clove farmers and people injured during clove harvesting;
- (k) support research and development activities in clove Industry;
- (l) contribute to such organizations related to the clove Industry as the Minister may determine;
- (m) support the operation of Task Force; and
- (n) perform such other activities of general interest for the promotion and development of clove industry.

Administration of the Fund.

6. The Managing Director of the Corporation shall administer the Fund.

Establishment of Task Force.

7.-(1) There shall be a Task Force established by the Minister, which shall be responsible for anti - smuggling of cloves and any other acts affecting clove industry.

(2) The Minister shall make regulations for proper implementation of this section.

Powers and Duties of the Board.

8. Notwithstanding the powers of the Board conferred under the section 15 of Zanzibar State Trading Corporation Act No. 11 of 2011, the Board shall have the following powers with regard to the Fund:-

- (a) supervise the functions of the Fund in relation to clove production and development;



- (b) approve all policies, plans and strategies of the Fund;
- (c) formulate, evaluating and reviewing the corporate strategy, direction and focus of the Fund;
- (d) supervise credit recovery plan and liquidity position of the Fund;
- (e) oversee the revenues and expenditures of the Fund;
- (f) ensure professionally and efficient running of the Fund;
- (g) approve contributions in to the Fund and investment proposals from the Fund's money;
- (h) encourage investment in clove plantation development and value addition; and
- (i) appoint Inspectors or authorized any officer appointed in any written laws whose function relating to the function of the Fund to perform specific functions as Inspector under this Act.

Management of the Fund.

9. The Board shall establish a Department to govern the overall functions of the Fund.

PART III REGISTRATION, CULTIVATION, INSPECTION AND HARVESTING OF CLOVES

Registration of clove farmers.

10.-(1) There shall be a register of clove farmers, clove sellers and other clove actors in to which all matters relating to clove development referred to under this Act shall be entered.

(2) Every clove farmer, owner, lessee, seller or actors along the cloves value chain shall be required to be registered by the Fund.

(3) The Fund shall cause a register of all land on which cloves trees are planted, owners, occupiers and managers of such land and processing factories to be kept and maintained by the Fund.

(4) The procedures for the registration of clove growers, to owners, lessee, or sellers shall be prescribed in the Regulations.



Improving
Cloves Cultiva-
tion.

11. The Fund shall support relevant authority to:-

- (a) approve varieties of cloves to be planted in Zanzibar;
- (b) establish, maintain and operate any nurseries;
- (c) maintain, cultivate, cure or clean clove farms;
- (d) investigate the cause, incidence, prevention, control or eradication of any disease likely prejudicial to the interest to the clove industry; and
- (e) improving the yield or other economic value of the cloves.

Cloves Devel-
opment Scheme.

12.-(1) The Board shall prepare short term, medium term and long term clove development scheme with the approval by the Minister to guide all development activities of clove.

(2) The scheme shall be prepared in a form determined by the Board and shall among other things includes:-

- (a) economic feasibility and viability analysis include risks associated to the scheme and mitigation measures;
- (b) properly planned, designed, and manageable clove nurseries and farm project;
- (c) proposals for establishment and management of clove farms and plantation;
- (d) proposal on incentives and support package to clove farmer such as material, clearing, planting, harvesting and drying;
- (e) research proposals for crop improvement such as cloves breeding, best nursery management practices, soil fertility management, and appropriate water management and technologies;
- (f) future expansion activities that abide to the sustainable development button line that is growth of clove industry and financial performance, conservation of the environment, and attainment of national social - economic objectives;



- (g) proposal intervention on quality assurances, crop survey, and firm yield performance for productivity assessment and acreage expansion; and
- (h) undertake performance for the medium term schemes and submit to review reports to the Minister for policy guidance.

(3) The Fund shall annually prepare budget for the rolling out the clove development scheme based on:-

- (a) number of farmers applying and qualify for incentives from the Fund;
- (b) number of approved financing commitments from previous budgets; and
- (c) number of on-going and new activities to meet the objects of the Fund.

Acts prohibited
in Clove
plantation.

13.-(1) It is prohibited for any person to do any of the following acts in any clove plantation area:

- (a) burn or make charcoal;
- (b) take rock, soil or sand;
- (c) fell, extract, cut, destroy or affect clove trees; and
- (d) conduct any other activities that is prohibited by Regulations made under this Act.

(2) It is prohibited to use clove trees for the purpose of any construction, timber, make idol or mask or ornaments.

(3) Any person who intends to cut clove tree for development purposes shall apply to the Minister, and shall be required to pay per clove tree an amount which the Minister shall declare in a Zanzibar Government Gazette.

(4) For the purpose of this section, any public officer may enter into a building or any other place for the purpose of seizing clove tree that is presumed to be used in contravention with this Act.

(5) Any person who contravenes this section, commits an offence and upon conviction is liable to fine of not less than three million or imprisonment of not less than three years or both fine and imprisonment.



Power of the Minister to declare land for clove plantation.

14.-(1) Subject to the provisions of this Act, and subject to the applicable land use plan and after consultation with the Minister responsible for land, Minister may, in the Zanzibar Government Gazette declare any land in Zanzibar a clove plantation area.

(2) Minister may make conditions, provision and direction for the use of land which declared to be clove Plantation area.

Quality and safety.

15 The Fund shall support and facilitate maintenance of clove and Allied Products Quality and Safety in collaboration with Zanzibar Bureau of Standards (ZBS) and other competent authority that oversee quality and safety of cloves.

Qualification of Inspector.

16. The Inspector authorized under section 8 (i) shall have qualification as stipulated under any written laws, or posses at least a first degree or its equivalents in the field of agriculture or economics, trade or other relevant field and have experience of not less than three years in that field.

Power and Duties of the Inspectors.

17. For the purpose of this section, the Inspectors shall have the following power:-

- (a) enter into clove cultivation or cloves farm and undertake inspection;
- (b) supervise seedlings, cloves nursery, arrangements of clove cultivation and clove plantation;
- (c) examine or inspect any certificate of registration, license, books, or other documents and for that purpose he may undertake such other activities including taking the copies of such documents in the possession of that person;
- (d) seize and retain any clove seed or clove plant which is in contravention of any provision of this Act;
- (e) enforce the compliance to clove quality standards and safety rules and regulations in the production, harvesting, handling, storage and selling of cloves; and
- (f) perform any other function that the Board finds necessary for better carrying out the provision of this Act.



Cloves harvest-
ing season.

18.-(1) There shall be Annual or Autumn crop as clove harvesting or picking season during each Calendar year.

(2) Every farmer, owner, or a lessee of clove trees who intends to harvest and dry cloves during the harvesting season shall have the following certified requirement by competent Authority:-

- (a) packing materials;
- (b) drying facilities;
- (c) measuring instruments; and
- (d) any other requirements that the Fund deems necessary.

(3) Every farmer, owner or lessee of the clove tree shall ensure that his clove is not tarnishing or mixing with other object during harvesting, drying and selling.

(4) Every farmer, owner, or lessee of clove trees shall dry clove by using only sun and certified drying material.

(5) Any person who contravene this section commits an offence.

Movement of
cloves.

19.-(1) Any person who intends to move dried or undried cloves stem from one area to another shall apply for valid permit from the Sheha that will be in a prescribed form.

(2) Subsection (1) of this section shall not apply to clove pickers who in the course of their normal duties are returning home from the clove picking areas during the harvesting season.

(3) Any vessel used to move cloves contrary to the provisions of this Act will be forfeited.

(4) Unless as it is provided in the regulation, it is prohibited for any person, other than Corporation to store dried cloves in a house, godown or warehouse or any other place.

(5) The Minister shall provide the procedures for the better implementation of this section.

(6) Any person who contravene with this section commits an offence.



PART IV FUND MANAGEMENT

Appointment of the Bank. **20.**-(1) For the purpose of section 8 of this Act, the Board shall consider a competitive process and select a Bank to provide the services of managing the Fund's resources allocated for lending cloves farmers.

(2) The Bank shall be responsible for:-

- (a) sound management of the resource allocated to clove farmers;
- (b) disbursement and recovery of money lent from the fund to cloves farmers; and
- (c) any other function as the Board deems necessary for the development of the cloves industry.

Disbursement of the Fund. **21.** The Board shall prepare and publish disbursement criteria of moneys from the Fund and authorize the Bank to make payments from the Fund for:-

- (a) payment of activities of the Fund as outlined in section 5 of this Act;
- (b) cloves growers qualified to benefit from incentives determined by the Board;
- (c) other functions related with the production of cloves.

PART V FINANCIAL PROVISIONS

Source of Fund. **22.**-(1) The sources of Fund shall consist of:-

- (a) appropriation from the Government;
- (b) contributions from cloves farmers, sellers, the Corporation and other clove actors as prescribed in the Regulations made under this Act;
- (c) any donation or subsidy granted to the Fund;
- (d) any money from intellectual property marketing strategies, royalties or any other rights;
- (e) revenues generated from investments;



- (f) any money from nonprofit organisations, development partners, private Partnership initiatives and other financial institutions; and
- (g) penalties and fines for any delay of payment of or breach of contract or otherwise.

(2) The sources of the Fund shall only be expended for the activities and purpose of the Fund as prescribe under section 5 of this Act and the Management of Corporation shall not have the power to expend the Source of the Fund contrary to the provision of this section.

Expenditure and Budget.

23.-(1) There shall be paid out of the Fund all such sums of money required to meet expenditures of the Fund in the exercise, discharge and performance of its functions.

(2) The Managing Director shall, not later than three months before the end of each financial year, prepare and submit to the Board of the Fund estimates of income and expenditure for the next financial year for consideration .The proposed budget shall then be forwarded to the Minister for approval.

Account and Audit.

24.-(1) The Board shall keep and maintain proper books of accounts with respect to:-

- (a) Sum of money received and expended by the Fund and matter in respect of which the receipts and expenditures took place;
- (b) The asset and liabilities of the Fund; and
- (c) The income and expenditure of the Fund.

(2) The auditing of the accounts of the Fund shall be carried out by the Controller and Auditor General or a person authorized by him.

(3) The Fund shall, not later than six months after the end of each financial year submit to the Board for consideration, audited and annual reports; copy of such should also be submitted to the Minister.

(4) For the purpose of this section "financial year of the Fund" shall be a period of twelve consecutive month which for the purpose of easy coordination, may conform to the financial year of the Government.



PART VI GENERAL PROVISIONS

Directive of the Minister.	<p>25. The Minister may give the Board, policy directives of a general or specific nature in writing as to the exercise or performance of its functions and Management or Board shall give effect to such directives.</p>
Offence and Penalties.	<p>26.-(1) Any person who:-</p> <ul style="list-style-type: none">(a) contravene a provision of this Act;(b) discloses confidential information or data of the Fund to a person who is not responsible for the Fund; and(c) obstructs or prevents any officer of the Fund from exercising his powers under this Act, <p>Commits an offence and upon conviction where there is no specific penalty imposed shall be liable to a fine of not less than One Million Shillings and not exceeding Ten Million Shillings or to imprisonment of less than three years or both such fine and imprisonment.</p> <p>(2) All money collected from penalties under this Act, shall be put in the Fund.</p>
Offences by Institution.	<p>27.-(1) Where any offence under this Act or Regulation made under this Act is committed by an institution, or any person who, at the time of committing the offence was a director or an officer, with the management of the affairs of the institution, shall commit an offence and upon conviction, shall be punished accordingly.</p> <p>(2) Where an offence under this Act is committed by an Institution, that Institution shall be guilty of an offence and upon conviction, shall pay a fine of not less than Ten Million Shillings.</p>
Offence by Agency.	<p>28. Where an offence under this Act or any Regulation made under this Act is committed by Agent or employee, then, such agent or employee, the principal or employer commits an offence and upon conviction, shall be punished accordingly.</p>
Compounding of Offences.	<p>29.-(1) The Fund may compound an offence committed by a person under this Act or its Regulation by requiring him to pay the fine prescribed for such an offence, provided that the person;</p>



- (a) admits in writing that he has committed an offence and shall take due care not to repeat the same; and
- (b) pay other sums payable under this Act or its regulations.

(2) If the fine imposed under subsection (1) of this section is not paid on demand, the Fund may institute Court proceedings or may take steps for the recovery of the fine in any manner permitted by this Act.

(3) The imposition of a fine under subsection (1) of this section shall not be regarded as conviction of the alleged offence; provided that the sum is paid full no prosecution for the alleged offence shall be instituted.

Power to make Regulations.

30.-(1) The Minister shall make Regulations for better carrying out the provisions and the purpose of this Act.

(2) Without prejudice to the generality of subsection (1) of this section the regulations shall be made on the following part:-

- (i) financial contributions to the Fund from clove farmers, clove sellers, the Institution and other stakeholders;
- (ii) procedures for appointing the Bank for managing Fund resources; and
- (iii) procedures regarding the application of funds.

Repeal and Savings.

31.-(1) The Clove Act No.11 of 1985 is hereby repealed.

(2) Anything done under the repealed Act provided under subsection (1) of this section shall be deemed to have been done in accordance with the provision of this Act.

PASSED by the House of Representatives on the date of 24th January, 2014.

(YAHYA KHAMIS HAMAD)
**CLERK OF THE HOUSE OF REPRESENTATIVES
ZANZIBAR**