

Rwanda

## Law establishing the Local Administrative Entities Development Agency (LODA) and Determining its Mission, Organisation and Functioning

Law 62 of 2013

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## Rwanda

# Law establishing the Local Administrative Entities Development Agency (LODA) and Determining its Mission, Organisation and Functioning Law 62 of 2013

Published in Official Gazette 41 on 14 October 2013

**Assented to on 27 August 2013**

**Commenced on 14 October 2013**

*[This is the version of this document from 14 October 2013.]*

**We, KAGAME Paul,**

President of the Republic;

**THE PARLIAMENT HAS ADOPTED AND WE SANCTION, PROMULGATE THE FOLLOWING LAW AND  
ORDER IT BE PUBLISHED IN THE OFFICIAL GAZETTE OF THE REPUBLIC OF RWANDA**

### **THE PARLIAMENT:**

The Chamber of Deputies, in its session of 16 May 2013;

The Senate, in its session of 16 May 2013;

Pursuant to the Constitution of the Republic of Rwanda of 04 June 2003 as amended to date, especially in Articles 62, 66, 67, 88, 89, 90, 92, 93, 95, 108, 113, 118, 167, 183 and 201;

Pursuant to Organic Law n° 06/2009/OL of 21/12/2009 establishing general provisions governing Public Institutions as modified and complemented to date;

Having reviewed Law n° 41/2010 of 25/11/2010 establishing Rwanda Local Development Support Fund (RLDSF) and determining its responsibilities, organization and functioning;

### **ADOPTS:**

## **Chapter One General provisions**

### **Article One – Purpose of this Law**

This Law establishes the Local Development Agency for local administrative entities with legal personality, abbreviated as “LODA”. It also determines its mission, organization and functioning.

LODA shall have legal personality, administrative and financial autonomy and shall be governed in accordance with legal provisions governing public institutions.

### **Article 2 – Head office of LODA**

The head office of LODA shall be located in Kigali City, the Capital of the Republic of Rwanda. It may be transferred elsewhere in Rwanda if deemed necessary.

## **Chapter II**

### **Mission of LODA**

#### **Article 3 – Mission of LODA**

LODA shall have the following mission:

- 1° to finance development activities in local administrative entities with legal personality;
- 2° to serve as an intermediary between local administrative entities with legal personality and donors especially those involved in financing development activities in those entities;
- 3° to put in place mechanisms of distributing financial support in local administrative entities with legal personality;
- 4° to monitor the use of funds allocated by LODA to development activities in the local administrative entities with legal personality;
- 5° to establish strategies for creation of high intensive labour and assistance to those unable to perform such jobs and who are approved by decentralized entities;
- 6° to contribute to sensitizing population and building their capacities in analysing and solving their problems;
- 7° to contribute to sensitizing population to participate in development activities meant for them;
- 8° to contribute to sensitizing population on the culture of making savings and using the services of banks and micro-finance institutions;
- 9° to build capacities of local administrative entities with legal personality within the scope of LODA mission;
- 10° to coordinate Government's development activities in local administrative entities with legal personality;
- 11° to mobilize and collect funds.

However, the provisions of items 2° and 11° of Paragraph One of this Article shall not prevent the local administrative entities with legal personality from maintaining direct co-operation with partners.

## **Chapter III**

### **Supervising authority of LODA and its category**

#### **Article 4 – Supervising authority of LODA and its category**

A Prime Minister's Order shall determine the supervising authority of LODA and its category.

There shall be concluded between the supervising organ of LODA and its decision-making organ a performance contract determining competences, rights and obligations of each party in order for LODA to fulfil its mission.

Such a contract shall be valid for a period equal to the term of office of members of the decision-making organ of LODA.

## **Chapter IV**

### **Organization and functioning of LODA**

#### **Article 5 – Management organs of LODA**

LODA shall be comprised of the two (2) following management organs:

- 1° the Board of Directors;
- 2° the General Directorate.

A Prime Minister's Order may determine other relevant organs in order for LODA to fulfil its mission.

#### **Section one – Board of Directors**

##### **Article 6 – Board of Directors of LODA**

The Board of Directors of LODA shall be its governing and decision-making organ.

The competences, responsibilities, functioning of the Board of Directors and the term of office of its members shall be determined by a Prime Minister's Order.

A Presidential Order shall appoint members of the Board of Directors including the Chairperson and the Deputy Chairperson.

Members of the Board of Directors shall be selected on the basis of their competence and expertise.

At least thirty percent (30%) of members of the Board of Directors must be females.

##### **Article 7 – Sitting allowances for members of the Board of Directors**

Members of the Board of Directors present in the meetings of the Board of Directors shall be entitled to sitting allowances determined by a Presidential Order.

##### **Article 8 – Incompatibilities with membership of the Board of Directors**

Members of the Board of Directors shall not be allowed to perform any remunerated activity within LODA.

They shall not be also allowed, either individually or companies in which they hold shares, to bid for tenders of LODA and those financed by LODA in the Districts and the Kigali City.

#### **Section 2 – General Directorate**

##### **Article 9 – Composition of the General Directorate of LODA**

Members of the General Directorate of LODA shall be determined by a Presidential Order.

The competences and responsibilities of members of the General Directorate of LODA as well as modalities for fulfilling their duties shall be determined by a Prime Minister's Order.

##### **Article 10 – Statute governing the staff of LODA and benefits of members of the General Directorate and the staff of LODA**

The staff of LODA shall be governed by General statutes for Rwanda Public Service.

Benefits allocated to members of the General Directorate and to the staff of LODA shall be determined in accordance with legal provisions governing benefits to employees of public institutions.

### **Article 11 – Organization, functioning and responsibilities of organs of LODA**

The organization, functioning and responsibilities of organs of LODA shall be determined by a Prime Minister's Order.

## **Chapter V Property and finance**

### **Article 12 – Property of LODA and its sources**

The property of LODA shall be comprised of movables and immovables.

The property of LODA shall come from the following sources:

- 1° State budget allocations comprising at least ten percent (10%) of domestic revenues, calculated on the basis of the State budget of the previous year;
- 2° Government or partners' grants;
- 3° income from services rendered;
- 4° proceeds from its property;
- 5° loans granted to LODA as approved by the Minister in charge of finance;
- 6° donation and bequests;
- 7° property formerly owned by Rwanda Local Development Support Fund (RLDSF).

### **Article 13 – Use, management and audit of the property**

The use, management and audit of LODA property shall be carried out in accordance with relevant legal provisions.

LODA internal audit unit shall submit a report to the Board of Directors with a copy to the head of the General Directorate of LODA.

### **Article 14 – Approval and management of the budget of LODA**

The budget of LODA shall be approved and managed in accordance with relevant legal provisions.

### **Article 15 – Annual financial report**

Within three (3) months following the closure of the financial year, the head of the General Directorate of LODA shall submit to the supervising authority of LODA the annual financial report after its approval by the Board of Directors in accordance with laws governing the management of State finance and property.

## **Chapter VI**

### **Transitional, miscellaneous and final provisions**

#### **Article 16 – Transitional provision**

LODA shall be given a period not exceeding six (6) months from the date of the publication of this Law in the Official *Gazette* of the Republic of Rwanda in order for it to take over activities that were being carried out by RLDSF.

#### **Article 17 – Transfer of contracts, activities, property and name**

Contracts, activities, movable and immovable property, liabilities and the name of Rwanda Local Development Support Fund (RLDSF) shall be transferred to LODA.

#### **Article 18 – RLDSF former staff members**

RLDSF staff members who fulfil the requirements shall be transferred to LODA in accordance with relevant legal provisions.

#### **Article 19 – Drafting, consideration and adoption of this Law**

This Law was drafted, considered and adopted in Kinyarwanda.

#### **Article 20 – Repealing provision**

Law n° 41/2010 of 25/11/2010 establishing Rwanda Local Development Support Fund (RLDSF) and determining its responsibilities, organization and functioning and all prior legal provisions contrary to this Law are hereby repealed.

#### **Article 21 – Commencement**

This Law shall come into force on the date of its publication in the Official *Gazette* of the Republic of Rwanda.