

**LAW N° 20/2002 OF 21/05/2002 ESTABLISHING THE ORGANIZATION AND
FUNCTIONING OF THE COMMON DEVELOPMENT FUND FOR DISTRICTS,
TOWNS AND THE CITY OF KIGALI.**

We, Paul KAGAME,
President of the Republic,

The transitional national assembly has adopted and we sanction, promulgate the law, as declared by Supreme Court, section of constitutional court, to be in harmony with the fundamental law in the ruling n°023/11.02/02 passed on 13/05/2002, and order it to be published in the official gazette of republic Rwanda.

The Transitional National Assembly, meeting in its session of April 15, 2002;
Given the fundamental law, as amended to date especially the constitution of June 10, 1991, in its articles 69 and 97 and the ARUSHA peace agreement on power sharing, in its articles 6-d,40,72 and 73;

Given the law n° 04/2001 of 13/01/2001 establishing the organization and functioning of districts especially its articles 140, 141, and 142;

Given the law n° 05/2001 of 18/01/2001 on the organization and functioning of towns and municipalities in Rwanda, especially in its articles 114 and 115;

Given the law n° 07/2001 of 19/01/2001 on the organization and functioning of the city of Kigali, especially in its articles 169-c;

Given the law-decree n° 39/75 of November 7, 1975 governing public institutions as modified and complimented to date;

Having reviewed law ° 48/1988 of December 14, 1988 on the creation of inter-communal development credit;

Considering that it is indispensable to avail resources to grass root administrative entities in order to ensure an effective implementation of national policy of decentralization;

Adopts:

CHAPTER 1: GENERAL PROVISIONS

Article 1:

Hereby established is government owned development fund for districts, towns and the city of Kigali called “The Common development fund” (hereinafter referred to as CDF) this fund has legal status and is under the supervision of the ministry which is determined by the presidential decree.

Article 2:

The objectives of CDF are as follows:

1. To finance development projects, to distribute among districts, towns and city of Kigali funds allocated to those projects and ensure these funds are equitably distributed to those entities
2. To monitor the use of the funds allocated to development projects in districts towns and the city of Kigali;
3. To serve as an intermediary between districts, towns and city of Kigali on one hand and the donors who are specifically involved in financing development projects in these entities on the other hand.

However, provisions of point n° paragraph one of this article do not prevent the districts, towns and Kigali city from establishing direct partnership with donors

SECTION II: The CDF Management**Article 10:**

The CDF management is made up members that are appointed by a prime minister's order upon request by the minister supervising it.

Salary and other fringe benefits to the members of CDF management are determined by presidential order.

Article 11:

The CDF management has the following duties:

1. to implement the decision of the board of directors;
2. to draft the internal rules and regulations for CDF;
3. to develop and implement a monitoring system for the CDF activities
4. to prepare and provide districts, towns and city of Kigali with funds meant for development by board of directors
5. to prepare the CDF activity report and submitting it to the Board of directors
6. to arrange for annual CDF property and financial auditing;

CHAPTER III: AUDITING COMMITTEE**Article 12:**

The auditing committee is an organ that is responsible for the control of CDF property utilization and its functioning in general. The committee is made of three (3) people that are determined by the decree of the minister having finance in his/her attributions.

Articles 13:

Members of the auditing committee receive an indemnity determined by presidential decree.

Articles 14:

Members to the auditing committee submit their report to the Minister having finance in his/her attributions with a copy to the ministry supervising CDF and to the chairperson of the Board of directors.

Articles 15:

Member of the auditing committee prepare report once a year and as often as may be required, on their own initiative or upon request by the minister having finance in his/her attributions, the Minister supervising the Fund, the Chairperson of the Board or 1/3 of its members.

CHAPTER IV: THE PROPERTY OF CDF**Article 16:**

The CDF resources come mainly from the following:

1. Initial capital from Government transfers equivalent to 10% of domestic revenue. This amount is calculated from previous fiscal years;
2. donations, legacies, funds from the donors and government subsidies

Articles 17:

At the end of every financial year, the CDF management prepares a CDF financial statement. Such financial statement is submitted to the board which in turn, publishes it and submits it to Minister supervising the CDF.

The deadline for the submission of the report is determined by a decree of the Minister supervising CDF.

CHAPTER V: FINANCING AND SHARING FUNDS FOR DEVELOPMENT PROJECTS BETWEEN THE DISTRICTS, TOWNS AND THE CITY OF KIGALI**Articles 18:**

The sharing modalities for distributing CDF funds between the districts, towns and the city of Kigali are determined by the Board with carbon copy to the Minister supervising CDF.

Articles 19:

Development projects in the districts, towns and the city of Kigali are financed by CDF after they have been selected and approved by the council of district, town and Kigali. Decisions of the district council must be included in the minutes and must specify the projects in terms of priority.

Article 20:

The provincial coordination committee within each province, and the Kigali city council, has an advisory role in the selection of the CDF projects for their respective districts. They also help ensure consistency within national priorities, coordination of development projects in districts, towns and the city of Kigali.

CHAPTER VI: MISCELLANEOUS AND FINANCIAL PROVISIONS**Article 21:**

The law n°48/1988 of December 14, 1998 establishing the Inter-communal Development Credit (IDC) is abrogated.

Article 22:

The assets of Inter-communal Development Credit (IDC) are transferred to the CDF

The liabilities of the inter-communal Development Credit (IDC) are transferred to the state account through the Ministry having local government in its attributions.

Article 23:

All prior legal provisions contrary to this law are hereby abrogated.

Article 24:

The law comes into force on the date of its publication in the official Gazette of the Republic of Rwanda but becomes effective as January 1st, 2002

Kigali on 21/05/2002

Kigali, on 21/05/2002

The President of the Republic

Paul KAGAME

(sé)

The Prime Minister

Bernard MAKUZA

(sé)

The Minister of Finance and Economic Planning

Donald KABERUKA

(sé)

The Minister of Local Government and Social Affairs

Joseph Désiré NYANDWI

(sé)

Seen and sealed with the Seal of the Republic:

The Minister of Justice and Institutional Relations

Jean de Dieu MUCYO

(sé)