

Rwanda

Organic Law establishing General Provisions Governing Public Institutions

Organic Law 1 of 2020

Legislation as at 8 June 2020

FRBR URI: /akn/rw/act/ol/2020/1/eng@2020-06-08

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PDF created on 21 February 2024 at 17:15.

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Published in Official Gazette 16 on 8 June 2020

Assented to on 8 June 2020

Commenced on 8 June 2020

[This is the version of this document from 8 June 2020.]

We, KAGAME Paul,

President of the Republic;

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

THE PARLIAMENT:

The Chamber of Deputies, in its sitting of 02 June 2020;

The Senate, in its sitting of 28 May 2020;

Pursuant to the Constitution of the Republic of Rwanda of 2003 revised in 2015, especially in Articles 64, 69, 70, 85, 87, 88, 90, 91, 106, 112, 119, 120, 122, 139 and 176;

Having reviewed [Organic Law n° 001/2016](#)/OL of 20/04/2016 establishing general provisions governing public institutions as amended to date;

ADOPTS:

Chapter One

General provisions

Article One – Purpose of this Organic Law

This Organic Law establishes general provisions governing public institutions.

Article 2 – Definitions

In this Organic Law, the following terms have the meanings below:

- 1° **public institution:** a non-commercial public institution or State-owned company established in accordance with provisions of this Organic Law;
- 2° **non-commercial public institution:** a public institution that is not commerce-oriented although it generates revenues by virtue of its responsibilities;
- 3° **State-owned company:** a company in which the State is the sole shareholder.

Article 3 – Categories of public institutions

Public institutions fall into the following categories:

- 1° non-commercial public institutions;
- 2° State-owned companies.

Article 4 – Establishment and dissolution of a public institution

A non-commercial public institution is established by a Presidential Order. Such an Order also determines its mission, responsibilities, organization and functioning.

A non-commercial public institution is dissolved by a Presidential Order.

A State-owned company is established and dissolved in accordance with laws regulating companies.

A Presidential Order determines prerequisites for establishment of a State-owned company and additional rules of its management.

Article 5 – Legal personality and autonomy of a public institution

A public institution established in accordance with the provisions of this Organic Law is endowed with legal personality, financial and administrative autonomy.

Article 6 – Organs of a public institution

Organs of a public institution are the following:

- 1° the Board of Directors;
- 2° the Executive Organ.

The Presidential Order establishing a non-commercial public institution may, if necessary, determine other organs of the non-commercial public institution.

Other organs of a State-owned company may be established in accordance with laws governing that company.

Article 7 – Supervising authority of a public institution

A Presidential Order establishing a non-commercial public institution determines its supervising authority.

A Prime Minister's Order determines a supervising authority of a State-owned company.

Article 8 – Responsibilities of a supervising authority of a public institution

Responsibilities of a supervising authority of a public institution are the following:

- 1° to provide policy orientation to the public institution;
- 2° to oversee the functioning and management of the public institution;
- 3° to ensure that the resolutions of the Board of Directors are in line with Laws.

The Presidential Order establishing a non-commercial public institution may determine other responsibilities of the supervising authority of that public institution.

An Order of the Prime Minister may determine other responsibilities of a supervising authority of a State-owned company.

Article 9 – Composition of the Board of Directors of a public institution

Members of the Board of Directors of a public institution, including the Chairperson and Deputy Chairperson, are appointed by a Presidential Order.

A Presidential Order establishing a non-commercial public institution provides for the number and term of office of members of the Board of Directors. That Order also provides for responsibilities of the Chairperson and Deputy Chairperson of the Board of Directors.

A Presidential Order determines the number and term of office of the members of the Board of Directors of a State-owned company. That Order also provides for the responsibilities of the Chairperson and Deputy Chairperson of the Board of Directors.

At least thirty percent (30%) of members of the Board of Directors of a public institution must be women.

Article 10 – Responsibilities of the Board of Directors

Responsibilities of the Board of Directors of a public institution are the following:

- 1° to oversee the functioning of the Executive Organ of a public institution and provide strategic guidance to be followed by the Executive Organ in the fulfillment of its mission;
- 2° to approve the strategic plan and action plan of the public institution and related reports;
- 3° to approve the procedures manual and internal rules and regulations of the public institution;
- 4° to monitor the use of property and management of staff members of a public institution;
- 5° to monitor the implementation of recommendations of an auditor of State finances;
- 6° to ensure the establishment of a risk management framework for a public institution;
- 7° to ensure an effective audit in a public institution;
- 8° to monitor the execution of the performance contract;
- 9° to ensure that decisions of the Executive Organ are in line with laws.

The Presidential Order establishing a non-commercial public institution may determine other responsibilities of the Board of Directors.

Other responsibilities of the Board of Directors of a State-owned company, are determined in accordance with laws governing companies.

Article 11 – Benefits of members of the Board of Directors

A Presidential Order determines sitting allowances and other fringe benefits for members of the Board of Directors of a public institution.

Article 12 – Incompatibilities with membership of the Board of Directors

A member of the Board of Directors in a public institution, either individually or through a company in which he or she holds shares, is not allowed to perform a remunerated activity within that public institution or to bid for its tenders.

The Presidential Order establishing a non-commercial public institution may determine additional incompatibilities with membership of the Board of Directors.

A Presidential Order may determine additional incompatibilities with membership of the Board of Directors of a State-owned company.

Article 13 – Committees of the Board of Directors

Members of the Board of Directors of a public institution elect from among themselves an audit committee and a governance committee. Also, they may elect from among themselves another committee when considered necessary, as by nature of a public institution.

The Board of Directors of a public institution determines responsibilities of Committees provided for under Paragraph One this Article.

Article 14 – Functioning and code of conduct for members of the Board of Directors

Internal rules and regulations of a public institution determine the functioning of the Board of Directors.

A Prime Minister's Order determines the code of conduct for members of the Board of Directors.

Article 15 – Responsibilities of the Executive Organ

Responsibilities of the Executive Organ of a public institution are the following:

- 1° to ensure the daily management of a public institution;
- 2° to implement resolutions of the Board of Directors;
- 3° to develop the strategic plan and action plan of a public institution;
- 4° to ensure effective financial and human resource management of a public institution;
- 5° to develop a risk management framework for a public institution.

A Presidential Order establishing a non-commercial public institution may determine other responsibilities of the Executive Organ.

The Presidential Order referred to the paragraph 4 of article 4 of this Organic Law may provide for other responsibilities of the Executive Organ of a State-owned company.

Article 16 – Members of the Executive Organ of a public institution

A Presidential Order establishing a non-commercial public institution determines members of its Executive Organ.

Members of the Executive Organ of a State-owned company are determined in accordance with the Law governing companies.

Article 17 – Public institution's name

A Presidential Order establishes criteria for determining the name of public institutions and job title of its head.

Article 18 – Organizational structure of a public institution

A Prime Minister's Order determines the organizational structure of a non-commercial public institution.

The Board of Directors approves the organizational structure of a State-owned company.

Article 19 – Management of staff members

The management of staff members of a public institution is governed by relevant laws.

Article 20 – Financial and human resource management audit

The financial and human resource management audit within a public institution is governed by relevant laws.

Article 21 – Salary and fringe benefits of staff members of public institutions

The salary and fringe benefits of staff members of a non-commercial public institution are determined in accordance with relevant laws.

The salary and fringe benefits of staff members of a State-owned company are determined by the Board of Directors of that company.

Chapter II Collaboration and accountability

Article 22 – Collaboration between the supervising authority, the Board of Directors and the Executive Organ

The supervising authority, the Board of Directors and the Executive Organ work closely to deliver on the overall strategic mission of a public institution.

Collaboration between organs provided for under Paragraph One of this Article is done at least through the following:

- 1° the strategic planning of a public institution;
- 2° the performance contract of a public institution;
- 3° the monitoring and evaluation of performance of a public institution.

Article 23 – Accountability

Members of the Board of Directors are accountable to the supervising authority of a public institution and other relevant organs for matters relating to their responsibilities.

Members of the Executive Organ are accountable to the Board of Directors and other relevant organs for matters relating to their responsibilities.

Article 24 – Liability of members of the Board of Directors

Without prejudice to provisions of criminal laws, members of the Board of Directors getting individually or collectively involved in the mismanagement of or causing a loss to a public institution are liable for their faults, apart from a member of the Board of Directors who, during a meeting, dissents from a decision taken, with his or her dissent being entered in the minutes of that same day's meeting.

Chapter III Transitional and final provisions

Article 25 – Compliance with this Organic Law

All public institutions must comply with provisions of this Organic Law within two (2) years from its commencement.

Subject to provisions of Paragraph One of this Article, all laws establishing public institutions in force before the commencement of this Organic Law continue to be in force in all their provisions which, with respect to their substance, are not inconsistent with this Organic Law, until the commencement of Presidential Orders establishing public institutions.

Upon commencement of a Presidential Order establishing a public institution, the Law establishing the same public institution or governing it in force is automatically repealed. However, the public institution exists from the date of its establishment by a law.

By registering a State-owned company replacing an existing commercial public institution, the Law establishing such a public institution is automatically repealed.

Article 26 – Drafting, consideration and adoption of this Organic Law

This Organic Law was drafted in English, considered and adopted in Ikinyarwanda.

Article 27 – Repealing provision

[Organic Law n° 001/2016](#)/OL of 20/04/2016 establishing general provisions governing public institutions as amended to date and all prior provisions contrary to this Organic Law are repealed.

Article 28 – Commencement

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