Abbreviated Resettlement Action Plan

KivuWatt Power Plant Project, Rwanda

November 2010
Executive Summary

I. The ARAP

KivuWatt Ltd. has prepared this Abbreviated Resettlement Action Plan (ARAP) as part of its environmental and social performance management planning. KivuWatt Ltd. has not undertaken, and does not plan to undertake, any physical or economic resettlement. However there was some economic displacement by government on the sites that have been leased to KivuWatt. Thirty-nine individuals and one primary school were economically displaced. Compensation was paid in 207 and 2009 by the government for this economic displacement.

Recognizing the implications of economic displacement experienced by the project Affected persons (PAPs) following their compensation payments, and seeking to better align itself with lenders’ policies, specifically those of the IFC and the AfDB, the project sponsor has developed plans to supplement government actions.

II. The KivuWatt Power Project

The KivuWatt project located near Kibuye in Rwanda will extract methane from the waters of Lake Kivu and use the gas to generate electricity that will be sold to the Rwanda electricity utility, Rwanda Electricity Corporation (RECO). Phase 1, which will generate 25MW, is expected to start commercial operation in January 2012. The second phase, generating an additional 75 MW is due to start construction six months after Phase 1 is commissioned.

The KivuWatt project is wholly within Rwandan waters although the border between Rwanda and the Democratic Republic of the Congo bisects Lake Kivu.

As well as generating electricity, extraction of methane from the lake will have the added benefit of reducing the risk of an explosive release of gases that could have a catastrophic effect on the many hundreds of thousands of people living around the lake. In order to establish safe rules for such extraction of methane, the two governments have established The Management Prescriptions for the Development of Lake Kivu Gas Resources (June 17, 2009). The prescriptions do not include any provisions related to land acquisition and compensation.

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1 See Appendix A, KivuWatt Power Plant Environmental and Social Impact Assessment, Sinclair, Knight, Metz, 2009
2 Formerly known as Electrogaz.

KivuWatt Ltd. November 2010.
The project design locates much of the infrastructure for the project offshore, and therefore minimises land take\(^3\). In Phase 1, one Gas Extraction Facility (GEF) barge will be tethered in a permanent mooring approximately 13 kms offshore. A pipeline some 10m below the surface of the lake will transport the gas produced to the gathering station for the power plant. (In Phase 2, an additional 3 GEFs are planned, with similar pipelines.) An on-shore Power Plant will comprise a series of gas engines that will convert the methane to electricity that will then be supplied to the grid. A small site on-shore will be used during construction to assemble the GEF barges.

### III. Project sponsors and financing

KivuWatt Ltd. (KivuWatt) is wholly owned by ContourGlobal (CG). CG is negotiating financial and insurance arrangements for Phase 1 of the KivuWatt project with a number of development banks and institutions. The lender group includes the African Development Bank (AfDB), Emerging Africa Infrastructure Fund (EAIF), and the Netherlands Development Bank (FMO). The World Bank Group’s Multilateral Investment Guarantee Agency (MIGA) is considering providing political risk insurance guarantees.

### IV. Project land take

The project has two small on-shore sites. Both have already been leased to KivuWatt by the Government of Rwanda. One site (5.5ha) is for the power plant and one is a temporary Marine Landing Site (MLS) approximately 1.5 kms away, where the offshore facilities will be assembled. This 1.8 ha site is owned by GoR, and will be returned to GoR when construction is completed.

The 7.3 ha of land currently leased to KivuWatt has already been acquired and compensated for by the Government of Rwanda (GoR) in compliance with national Rwandan laws. The larger of the two sites used by KivuWatt was cleared in 2007 on behalf of a different project that did not go ahead. KivuWatt was subsequently directed by GoR to take a lease on this site for its power plant.

KivuWatt is looking for an additional site of up to 2 ha on which to construct project-related accommodation. A possible site adjoining the MLS and currently owned by the military is under discussion. KivuWatt will not acquire any site that leads to involuntary resettlement.

### V. Project affected persons (PAPs)

Thirty-nine farmers and the local primary school (that leased land on the MLS site to grow fodder for the school cow) were economically displaced from the land now allocated to Kivu Watt. Thirty-six of

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\(^3\) See Environmental and Social Impact Assessment (ESIA), Section 2.4.2 Alternative Technology – this describes the design options that were considered and rejected including options under which more of the process would have been carried out on-shore and hence the land take would have been larger.

KivuWatt Ltd. November 2010.
the farmers were tenants who rented land on the sites on a short-term basis. Three PAPs leased land on the power plant site.

VI. Compensation

Compensation has been paid to project affected persons by the government on the basis of the requirements of Rwandan law. Under this law, landowners and leaseholders are entitled to be compensated at market value for land; tenants for crops and property on the land that they rented; property owners for the value of any property on expropriated land.

Specific rates for compensation are set at the District level based on local market surveys. The rates applied to compensation for the two sites used by KivuWatt are shown in Annex 4. Compensation is paid in cash into PAPs bank accounts.

The sample survey of PAPs conducted by KivuWatt indicated that PAPs who were tenants on the sites have received the compensation payments that were due to them. According to the District authority, compensation monies have not yet been paid to the one landowner due to an intra-family dispute currently before the civil courts. When this is resolved, the compensation will be paid.

The total compensation that has been paid by GoR for economic displacement on the power plant and MLS sites is RWF 23,954,252 ($40,739)\(^4\).

VII. The KivuWatt Supplementary Compensation Plan (SCP)

The Supplementary Compensation Plan (SCP) developed by KivuWatt is a voluntary initiative by the company to provide additional compensation to economically displaced PAPs in order to help restore their livelihoods.

The need for this supplementary compensation was ascertained through interviews with a sample of PAPs that found that most of the tenant farmers had not used compensation money to acquire replacement rental or other income generating assets. This has had adverse impacts on their livelihoods. KivuWatt will provide supplementary, one-off, targeted, non-cash compensation to the economically displaced PAPs. The form of supplemental compensation will be determined on a case-by-case basis taking account of the different circumstances and the preferences of the PAPs.

KivuWatt is in the process of locating the people who were economically displaced by government from the land that is now leased to the project. The PAPs are dispersed within nearby villages in which they constitute a small proportion of the population. The PAPs have no particular ethnic or familial connections and are linked only by the fact that they all rented some plots on the sites now used by KivuWatt. As of November 2010, KivuWatt has located eighteen of the thirty nine PAPs

\(^4\) 1 USD=RWF 588.
and has started consultation with these people on the content of the SCP. KivuWatt intend to have contacted and consulted with the rest of the PAPs who remain in the Kibuye area by the end of 2010. In Q1 2011, KivuWatt will undertake a second round of consultation with PAPs where the company will present for review by PAPs detailed proposals for the SCP that take account of the feedback received from PAPs over November/December 2010.

The details of the SCP are yet to be determined. KivuWatt is part way through initial consultations with PAPs about preferences for the SCP. Based on the consultation to date, and subject to change as the consultation continues, the core of the SCP will comprise one or more cooperatives established under Rwandan law, e.g. income-generating greenhouses or fishing/lake transport cooperatives. Some PAPs have other plots of land that they farm, and have expressed interest in support to increase productivity from this land. In interviews so far, some PAPs have indicated that they would prefer non-farming income generating activities since replacement land is not available.

Gasura Primary School, that lost land it had used on the MLS site to grow fodder for the school cow, has been provided by the government with replacement land but requires supplemental compensation to cover transitional costs that were not included in the government compensation.

The SCP will be further developed and executed over 2010-12. The pace of finalization of the plan and its implementation depends on the speed with which individuals can be located, consulted with, and agreements made and implemented. Initially KivuWatt had hoped that it might be possible to secure replacement land from the government for the farmers who had previously rented farming plots on the government-owned land that was leased to KivuWatt. This would have enabled the supplementary compensation to be provided quickly. However the District Governor has informed KivuWatt that no replacement land is available.

VIII. Consultation

The government consulted with PAPs in relation to the expropriation as required by Rwandan law. This included a process under which PAPs formally signed off on the schedule of compensation and the amounts of cash compensation they were to receive. In addition, KivuWatt has held public consultation meetings on the ESIA, and will implement an on-going programme of public consultation and disclosure.

KivuWatt surveyed all the people displaced from the MLS in 2009. In mid-2010 KivuWatt undertook a follow-up sample survey of economically displaced PAPs from the power plant and MLS site in order to assess the impact of displacement and compensation and determine whether a supplementary compensation programme (SCP) would be necessary.
As of mid-November 2010, KivuWatt is in the process of consulting with PAPs on the content of the SCP. As of mid-November 2010, eighteen of the thirty nine farmers who were displaced have been involved in one-on-one or group discussion about the SCP. As the ARAP is implemented further, KivuWatt will consult with the rest of the PAPs who can be located in the Kibuye area to develop detailed plans for the SCP and embody these in supplementary compensation agreements. In addition, KivuWatt plans to set up a Kibuye Community Forum including local government, community members and PAPs to advise on the SCP, CDP and grievance resolution.

IX. Grievance mechanisms

Rwandan law provides for an appeals procedure in relation to expropriation and compensation. The government has assured KivuWatt that there were no grievances related to the expropriations for land now occupied by KivuWatt other than one complex intra-family dispute about who should receive the compensation monies. This dispute is being handled through the Rwandan courts and the compensation monies will be paid after the court makes a judgment. Therefore KivuWatt does not take any responsibility for grievances related to the government compensation programme that has already been completed.

In relation to KivuWatt’s Supplementary Compensation Plan, any grievances or misunderstandings will be managed through KivuWatt’s Community Relations and Grievance Management Procedure. Under this procedure, PAPs will be able to raise issues directly with the Community Liaison Officer (CLO). The CLO will pro-actively establish contact with PAPs and the co-operatives set up under the SCP. A contact phone number will also be shown at KivuWatt site entrances. The CLO is expected to be able to resolve grievances or misunderstandings that arise in relation to the SCP. However, as needed, the proposed Kibuye Community Forum will be asked for advice. Grievances related to the Supplementary Compensation Plan and the steps taken to resolve them will be separately recorded to facilitate monitoring of the ARAP.

X. Responsibilities

Overall responsibility for implementation and monitoring of the ARAP including the Supplementary Compensation Plan rests with KivuWatt’s Country Manager. He is initially being supported by KivuWatt’s consultants working with KivuWatt existing staff, including one KivuWatt team member who has qualifications in international development. Subsequently, KivuWatt’s Environmental Health, Safety and Social Performance (EHSSP) Manager (currently being recruited) will take over day-to-day responsibility, reporting to the Country Manager.

KivuWatt’s Construction Manager and the EPC contractor, Civicon, are responsible for ensuring that PAPs are given opportunities for employment on the construction stage of the project where PAPs
have suitable skills and capabilities and employment opportunities are available. One PAP is currently employed on the site.

In order to develop and implement the Supplementary Compensation Plan, KivuWatt required the assistance of the local government authorities to provide data on the PAPs from the 2007 and 2009 expropriation processes. This has been provided. KivuWatt is also seeking support from the government authorities to the concept of the Supplementary Compensation Plan as well as collaboration on delivering specific components such as setting up cooperatives and provision of an additional milk-producing cow of the local primary school based on finance provided by KivuWatt.

Local non-governmental organizations are currently being identified and evaluated as potential partners to assist implementation of specific plan components such as working with PAPs to set up lake transport or greenhouse cooperatives, or inputs and training to increase agricultural productivity. Initial discussions with NGOs has found that each tends to specialize in particular types of project, eg greenhouses, dairy, coffee. So the selection of NGO partners will follow agreement with PAPs on the specific income generating activities that the SCP will focus on.

XI. Monitoring and Reporting

KivuWatt will:

- track implementation of each item of the ARAP, and report on progress to lenders as part of the agreed annual reporting to lenders. Annual ARAP implementation reports will include feedback from PAPs collected through meetings with the cooperatives and with the Kibuye Community Forum.

- provide annual reports to local stakeholders on implementation of the SCP as part of the Public Consultation and Disclosure Program\textsuperscript{5}.

Contour Global will agree with its lenders and other stakeholders the terms of reference. processes and timing for a livelihoods impact study that will assess the livelihoods impact of the KivuWatt project overall (i.e through local direct and indirect employment, local tax revenues, the ARAP and the community development programme.). This study will also serve as a completion audit for the ARAP. This livelihoods impact study is provisionally planned for three years after Phase 2 comes into operation.

XII. Implementation Schedule

\textsuperscript{5} ESIA Appendix A, Section 6.1

KivuWatt Ltd. November 2010.
GoR completed land acquisition and compensation in 2009. Implementation of the ARAP started in September 2010 when discussion commenced with the government about KivuWatt’s plans for providing supplemental compensation, and when it was confirmed by government that no substitute land could be provided for the PAPs. KivuWatt aims to have made agreements for supplementary compensation with all PAPs and commenced implementation during 2011.

The initial indications from PAPs are that they would like to receive assistance from KivuWatt to set up income generating cooperatives. Consultation with the remainder of the PAPs is underway to find out if this they share this preference too. KivuWatt is in also currently discussion with the local authority on the support that the authorities can provide in setting up such co-operatives and ensuring these are properly established according to Rwandan law. The key steps for 2011 will be:

- to work with the PAPs and the local authorities to define exactly what activities the co-operative(s) will undertake and establish them accordingly. NB Rwandan law specifies that a cooperative must focus on one particular set of activities, eg fishing, fish processing; vegetable growing; dairy etc;
- define what support KivuWatt will provide in the form of an initial injection or capital/materials and administrative support e.g. meeting the initial costs of the mandatory accountant until the cooperative generates the income flow needed to pay the accountant directly. The specific contribution that KivuWatt will make will be formally defined in a Supplementary Compensation agreement. Where KivuWatt supports cooperatives, this will take the form of an official donation as allowed for under the law on Cooperatives 2007. securing support from local civil society organizations/NGOs to help establish the new cooperatives. (Working with PAPs and the local administration to establish the cooperatives and launch their operations is expected to require substantial input as well as intensive liaison with the local authorities.)
- Develop individual supplementary compensation agreements with any PAPs that are unwilling or unable to join into income generating cooperatives.

X111. Estimated costs of the ARAP

The budget for the ARAP is estimated at $300,000, excluding KivuWatt management and staff time. The budget comprises $200,000 for implementation of the Supplementary Compensation Plan and up to $100,000 for consulting fees for development and monitoring of the ARAP. Of this budget, 6

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6 The Community Development Programme will operate under a separate budget. Where PAPs are provided with supplemental compensation through participation in the CDP, this will be financed out of the CDP budget.
$50,000 is provisionally allocated for the independent livelihoods impact study and $50,000 for on-going consultancy and advice including support to KivuWatt in developing the SCP, and on routine monitoring and reporting on ARAP implementation.

Under this budget KivuWatt will almost quintuple the cash compensation paid by the government to economically displaced persons. The budget will be revised and finalized when the cooperatives have been established and any individual PAP supplemental compensation agreements have been negotiated.
1 Introduction

KivuWatt Ltd. (KivuWatt) a wholly owned subsidiary of Contour Global LLC (CG), plans to generate electricity for sale to the Rwandan domestic electricity utility company, Rwanda Electricity Corporation (RECO), from methane extracted from the Rwandan waters of Lake Kivu.

The project will be developed in two phases. In Phase 1, 25 MW of power will be generated; Phase 2 will add a further 75 MW. Barges anchored on the lake will collect and process gas that will be transported via pipeline to an on-shore power plant. KivuWatt will build a power plant and related facilities on one 5.5 ha site outside Kibuye town, and use an additional 1.8 ha site on a temporary basis during construction of the barge-based Gas Extraction Facilities (GEF). Both sites have already been provided to KivuWatt under leases from the Government of Rwanda and former users of the sites have been expropriated and compensated by the Government in accordance with Rwandan law.

In preparing this project, KivuWatt commissioned an Environmental and Social Impact Assessment (ESIA)\(^7\) which concluded that KivuWatt should prepare a Resettlement Action Plan (RAP) because the project will have some land based activities on sites that were previously used for farming. The Government of Rwanda has compensated the users of these lands, according to the requirements of Rwandan law,

Each of the organisations potentially financing KivuWatt has a set of environmental and social policies or standards that projects they support must comply with. Specifically, there are requirements concerning land acquisition and involuntary resettlement (i.e. land expropriated for a project). The details of the requirements of these organisations are shown in Section 3. In summary, lenders’ require that:

- Involuntary resettlement\(^8\) should be avoided or minimised
- Where people (Project Affected Persons PAPs) lose lands, homes or commercial premises, they should be fully compensated as required by applicable national law
- Where people are resettled, their livelihood, standard of living and living conditions should be at least as good as before - International Finance Corporation (IFC) Performance Standard (PS) 5 or their livelihoods improved - AfDB Policy on Involuntary Resettlement.

\(^7\) KivuWatt Power Project Environmental and Social Impact Assessment (ESIA), Sinclair, Knight, Metz, October 2009

\(^8\) Involuntary resettlement refers to circumstances where people are required to cede land they are living on or using land temporarily or permanently and do not have the right to refuse.
KivuWatt Ltd. has prepared this Abbreviated Resettlement Action Plan (ARAP) as part of its environmental and social performance management planning. KivuWatt Ltd. has not undertaken any physical or economic resettlement. However, there was some economic displacement (and compensation paid) by government on the sites that have been leased to KivuWatt. Thirty-nine individuals and one primary school were economically displaced.

Recognizing the implications of economic displacement experienced by the PAPs following their compensation payments, and seeking to better align itself with lenders’ policies, specifically those of the IFC and the AfDB, the project sponsor has developed plans to supplement government actions.

1.1 This report

This report explains what was done by GoR with respect to land acquisition and compensation, and sets out what KivuWatt Ltd. is doing, and will do as the project goes forward, to close the gap between Rwandan legislation and lenders’ standards. It:

- Describes the KivuWatt Power Project (Section 2)
- Outlines the regulatory and policy requirements of Rwanda law and lenders’ standards and policies (Section 3)
- Sets out the expropriation and compensation process that was followed by GoR who have made the land for the MLS and power plant available to KivuWatt under leasehold; reports on compliance of this process with national requirements and with lenders’ resettlement policies. (Section 4)
- Shows the steps that KivuWatt is taking and will take to improve the livelihoods of the thirty-nine Project Affected Persons (PAPs) and the one primary school that previously farmed land now leased by KivuWatt through the KivuWatt Supplementary Compensation Plan; sets out how KivuWatt will monitor and report on implementation, and presents the budget. (Section 5).

The report is based on the following.

- A review of documents (ESIA, Concession Agreement, District Land Commission documents) relating to expropriation for the KivuWatt MLS site and the power plant site.
- Desk research on government policies and programmes, and on the current situation in the project area with respect to: land ownership, land tenure and the availability of land; local economic development, and agriculture.
• Discussions with the ESIA consultants and UK based consultants (Mokoro) who have been advising the GoR on land registration and have undertaken fieldwork assessments of land tenure and use in areas including in the Kibuye area.

• An initial consultation with farmers displaced from the marine landing site that was conducted as part of the ESIA\textsuperscript{10}.

• A site visit in July 2010 that included meetings with Contour Global, Kivu Watt and the MLS EPC contractor, Civicon, the District officers responsible for land expropriation and compensation and the Secteur agricultural officers, and Rwanda based NGOs involved in sustainable rural livelihoods projects.

• Follow up meetings by KivuWatt with District authorities in order to collect additional information on the expropriation carried out by the government and to discuss KivuWatt’s proposed supplementary compensation plan.

• In-depth interviews with seven of the PAPs who lost access to land as a result of the expropriation carried out by the GoR of the MLS site (2009) and power plant site (2007). The focus of these interviews was to find out whether the PAPs who were compensated in 2007 and 2009 could be located; if the compensation payments due to them from GoR had been paid; understand what consultation and communication had been carried out by government; find out about the tenancy arrangements under which the PAPs held land, and understand how compensation payments had been used, the impacts of land acquisition on the livelihood of the PAPs, and PAPs broad priorities for interventions to improve their livelihoods.

• Discussion of the draft report with project sponsors, the project environmental consultants, and lenders.

• Interviews and group meetings with PAPs to consult on KivuWatt plans for a supplementary compensation programme and solicit PAPs ideas and preferences for the design of the program. This consultation is on-going, the intention is to have completed meetings with all PAPs who can be located in the Kibuye area by end-2010. The focus of these meetings is to find out if PAPs welcome the idea of the SCP and to discuss the specific form and content of the SCP. To date, this consultation on the SCP has included meetings with individual PAPs and a group meeting that one PAP helped KivuWatt to set up by indentifying an number of

\textsuperscript{10} Environmental and Social Impact Assessment, 2009, Annex F.
PAPs and finding out a time and location that was suitable for a meeting taking account of PAPs’ schedules and availability.\textsuperscript{11}

1.2 The KivuWatt Power Plant project

Location
The project is located in the Kibuye area of the District of Karongi, Western Province of Rwanda. It will use waters in Lake Kivu. The border between Rwanda and the Democratic Republic of the Congo bisects Lake Kivu. The KivuWatt project is located wholly within Rwandan territory.

Project activities
The project will develop methane resources contained in Lake Kivu while at the same time reducing the risk of a potentially serious environmental incident from a naturally occurring explosive release of large quantities of these gases. In order to establish safe rules for such extraction of methane, the governments of Rwanda and the Democratic Republic of the Congo have established The Management Prescriptions for the Development of Lake Kivu Gas Resources (June 17, 2009).\textsuperscript{12}

KivuWatt will extract methane from the waters of Lake Kivu, and process the methane for power generation. The methane gas produced will initially be used to power three gas engine generator sets ‘Gas Extraction Facilities’ (GEF) which will produce approximately 25 MW of electricity for the local grid in Phase 1. Phase 2 is expected to add an additional 75 MW of power, employing nine additional GEF to expand KivuWatt to just over 100 MW of power.

The project facilities will comprise: (i) one gas extraction and treatment facility per floating platform, or barge, in the deep waters of the lake — there will be one platform per 25 MW of power capacity; (ii) a submerged, floating pipeline to transport the fuel gas ashore from each barge; (iii) an onshore gas receiving facility and power plant, and (iv) a temporary Marine Landing Site (MLS) where the GEFs will be assembled and launched from. The MLS will be operated by KivuWatt during the construction phase only and will then be handed back to the Government of Rwanda.

Construction has started, and is being undertaken by Civicon, an EPC contractor headquartered in Kenya.

Project sponsor and financing
The project is being developed by KivuWatt Ltd., a subsidiary of ContourGlobal\textsuperscript{13} under a concession agreement made with the Government of Rwanda in 2009.\textsuperscript{14} ContourGlobal is seeking financing

\textsuperscript{11} See Annex 5.
\textsuperscript{12} The prescriptions do not include any provisions related to land acquisition and compensation.
\textsuperscript{13} www.contourglobal.com

KivuWatt Ltd. November 2010.
from a number of development banks and institutions. The lender group includes the African Development Bank (AfDB), Emerging Africa Infrastructure Fund (EAIF), and the Netherlands Development Bank (FMO). The World Bank Group’s Multilateral Investment Guarantee Agency (MIGA) is considering providing political risk insurance guarantees.

Project land take

Current

The project design locates much of the infrastructure for the project offshore, and therefore minimises land take\(^{15}\). However, the project does have two on-shore sites. One is the 1.8 ha. Marine Landing Station (MLS) site that is leased to KivuWatt on a temporary basis until construction is completed. This site acquired specifically for KivuWatt. The other site is that for gas receiving and the power plant (Power Plant Site). This 5.5 ha. site was allocated to KivuWatt by the government following failure of the Dane Associates’ 2007 power project. (In 2007, the government had cleared the power plant site and constructed an 11kVA transmission line for the Dane project. When the concession agreement was made with KivuWatt, the project was directed to use the power plant site that had been prepared for Dane.)

Potential future land take

KivuWatt is seeking a plot of land of approximately 2ha for workforce accommodation. One of the KivuWatt’s criteria for a suitable site is that there should be no resettlement involved. KivuWatt is currently discussing with the government a site adjoining the MLS that belongs to the military. There is no farming or housing on this land.

Prior to Phase 2 of the KivuWatt, Rwanda Electricity Corporation (RECO) is expected to have built a new 220kVA transmission line that passes close to the project site. This is part of the government’s national grid programme. The line is not being built specifically because of KivuWatt, and is therefore not an associated facility as defined in IFC Performance Standard 1. However there could be a short section of transmission line to connect the KivuWatt power plant to the new line. This connection will be wholly within land currently leased by KivuWatt and will not cause any resettlement.

\(^{14}\) Concession Agreement by and between the Government of the Republic of Rwanda and KivuWatt Ltd., 2 March 2009

\(^{15}\) See Environmental and Social Impact Assessment (ESIA), Section 2.4.2 Alternative Technology – this describes the design options that were considered and rejected including options under which more of the process would have been carried out on-shore and hence the land take would have been larger.
Local economic opportunities relevant to the ARAP
During construction, the project is expected to employ approximately 250 nationals; during operations 103 local (Rwandan) people are likely to be employed\textsuperscript{16}. The project will purchase some goods and materials locally, including foodstuffs.

Regulations, standards and policies applicable to land acquisition and income restoration for the KivuWatt project

Introduction
This section summarises the provisions of the project concession agreement, relevant Rwandan law, regulations and policies, and lenders’ policies and standards with respect to land acquisition and resettlement. It provides a summary of Rwandan law on cooperatives which is directly relevant to the supplementary compensation programme because some PAPs have expressed a preference for the SCP to support the establishment of new income-generating cooperatives.

Project concession agreement
The project concession agreement\textsuperscript{17} states that GoR will ensure that the project has the land needed for the power plant and for construction. The Concession Agreement gives KivuWatt leasehold rights to the power plant site for 25 years. The Marine Landing Site (MLS), where the GEFs etc will be constructed, is leased to KivuWatt until Phase 2 enters commercial production. At this point, the site will revert to GoR.

Rwandan regulatory requirements

Rwandan land law (Organic Law 08/2005 Determining the Use and Management of Land in Rwanda) states that land may be expropriated for public interest projects through procedures provided by law and prior to appropriate compensation. (Article 3).

Law 18/2007 Relating to Expropriation in the Public Interest (See Annex 1) sets out the rules for expropriation. It states that only government can undertake expropriation, and that the responsibility for doing so lies with District Land Commissions. Under Rwandan legislation, land owners (defined to include those with title and those with historic customary title) are compensated for land and property, crops etc; tenants/squatters are compensated for crops and structures. The law specifies the procedures to be followed. These include prior notification of people who will be

\textsuperscript{16} See Environmental and Social Impact Assessment (ESIA), Section 8.5.1
\textsuperscript{17} Concession Agreement by and between the Government of the Republic of Rwanda and KivuWatt Ltd., 2 March 2009
affected, compensation for land at market prices to land owners\textsuperscript{18} and for crops/structures/irrigation etc for landowners and tenants. It includes a system for creating an inventory in the presence of land owners/users and the local authorities, and an appeals process.

There is provision for landowners to choose between compensation in kind or in cash, although land shortage means that it is often not possible to provide land. However people who hold land as tenants receive cash compensation and are responsible for finding replacement land themselves.\textsuperscript{19}

By law, cash compensation payments are made only into bank accounts.

\textbf{Law No 50/2007 providing for the establishment, organisation and functioning of cooperative organizations in Rwanda.} This law establishes a comprehensive framework for starting, operating and closing a cooperative including specifying criteria for membership, the organizational structure, financial controls and registration. It is relevant to the project because some PAPs have expressed the preference for supplementary compensation from KivuWatt in the form of assistance in establishing and providing resources to co-operatives. The law sets explicit requirements concerning how cooperatives should be structured and the decision making process within cooperatives, it requires that each member of a cooperative make some initial contribution to the cooperative and defines how this is to be calculated. It also allows for cooperatives to receive donations from third parties- his is the provision that allows for KivuWatt to contribute to cooperatives.

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\textsuperscript{18} In Rwanda all land not held by the original occupants in 1962 (at independence) belongs to the state but can be held under long-term leases. Other forms of customary tenure were abolished at independence. Both ‘1962 owners’ and leaseholders are referred to as ‘owners’. Landowners often rent out land on a short (one cropping cycle) or longer term basis, sub-letting is widespread too.

\textsuperscript{19} Meeting, Land Officers, Karongi District
Lenders’ polices and standards

The lender and insurer policies and standards that apply to land acquisition, compensation and livelihoods restoration are outlined below.

The African Development Bank’s Involuntary Resettlement Policy (IRP) applies to economic displacement and/or physical displacement. The Bank’s IRP requires either a Full RAP or an Abbreviated RAP, depending on the number of project affected persons. Because the KivuWatt project has fewer than 200 PAPs, an Abbreviated RAP has been prepared. Table 1 below shows the key components of the IRP relevant to the KivuWatt project.

Table 2  Key relevant sections of the African Development Bank Involuntary Resettlement Policy (IRP)

- Avoid involuntary resettlement where feasible, or minimize resettlement impacts where population displacement is unavoidable. (3.2)

- Ensure that displaced people receive resettlement assistance, preferably under the project, so that their standards of living, income earning capacity, and production levels are improved. (3.2)

- The borrower should develop a resettlement plan where physical displacement and loss of other economic assets are unavoidable. The plan should ensure that displacement is minimized, and that the displaced persons are provided with assistance prior to, during and following their physical relocation. The aim of the relocation and of the resettlement plan is to improve displaced persons former living standards, income earning capacity, and production levels. (3.3)

- Additionally, displaced persons and host communities should be meaningfully consulted early in the planning process and encouraged to participate in the planning and implementation of the resettlement program. The displaced persons should be informed about their options and rights pertaining to resettlement. They should be given genuine choices among technically and economically feasible resettlement alternatives. (3.3)

- Particular attention should be paid to the needs of disadvantaged groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, and ethnic, religious and linguistic minorities; including those without legal title to assets, female-headed households. (3.3)

- Displaced persons should be compensated for their losses at “full replacement” cost prior to their actual move or before taking of land and related assets or commencement of project activities, whichever occurs first. (3.3)

- The total cost of the project as a result should include the full cost of all resettlement activities. (3.3)

- Set up a mechanism for monitoring the performance of involuntary resettlement programs in Bank operations and remedying problems as they arise. (3.3)

Source: Selected extracts from Sections 3.2 and 3.3 of the African Development Bank Involuntary Resettlement Policy (IRP).
Other potential lenders (The Dutch Development Bank, FMO and Emerging Africa Infrastructure Fund, EAIF) as well as the Multilateral Investment Guaranteed Agency, MIGA apply the International Finance Corporation (IFC) Social and Environmental Performance Standard No. 5, concerning Land Acquisition and Involuntary Resettlement (2006). This standard applies to projects where land is acquired through expropriation and anyone is physically (i.e. houses) or economically (i.e. land under cultivation) displaced.

Table 3  Summary of requirements concerning land acquisition and involuntary resettlement in IFC Performance Standard 5 'Land Acquisition and Involuntary Resettlement’

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>IFC PS5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for resettlement</td>
<td>Avoid or minimize resettlement</td>
</tr>
<tr>
<td>Resettlement objective</td>
<td>Improve or at least restore the livelihoods of displaced persons</td>
</tr>
<tr>
<td>Compensation</td>
<td>Promptly compensate for loss of assets at full replacement cost.</td>
</tr>
<tr>
<td></td>
<td>Compensate for loss of for land where people have recognizable legal rights or claims to land under the national laws. Compensate economically displaced persons who are without legally recognizable claims to land for lost assets. Where livelihoods are land based, provide replacement land where feasible.</td>
</tr>
<tr>
<td></td>
<td>Provide opportunities to displaced people to derive development benefits from the project.</td>
</tr>
<tr>
<td>Livelihoods Restoration</td>
<td>Provide targeted assistance e.g. credit, training, job opportunities to economically displaced people whose livelihoods or income levels are adversely affected.</td>
</tr>
<tr>
<td>Consultation</td>
<td>Disclose information, consult with and facilitate the participation of affected people in decision-making related to resettlement.</td>
</tr>
<tr>
<td>Grievance Mechanism</td>
<td>Establish a grievance mechanism to receive and address specific concerns about compensation and relocation raised by displaced persons.</td>
</tr>
<tr>
<td>Vulnerable People</td>
<td>Particular attention should be paid to the needs of the poor and the vulnerable.</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Monitoring resettlement should be part of the Social and Environmental Management system.</td>
</tr>
</tbody>
</table>
| Documentation | RAP including:  
| | • Identify development opportunities  
| | • Establish entitlements  
| | • Document land acquisition and compensation  
| | • Monitoring and evaluation |
| Completion | Resettlement is complete when adverse impacts of resettlement have been addressed as set out and monitored in RAP |
| Where resettlement is undertaken by government | Identify and describe the procedures that the relevant government agency uses; develop procedures to supplement government action where government action does not meet the requirements of the PS. |

KivuWatt: land acquisition and compensation

Project context

Local economy

The project is located in the Kibuye area of the District of Karongi, Western Province of Rwanda. According to the district administration website, the population of the whole district in 2010 is...
approximately 280,000. In 2002, the 170km$^2$ area designated as Kibuye, the part of the district where the project is located, had a population of 45,000$^{20}$. It is certainly larger now.

The local economy has historically been based on agriculture, some fishing (especially since 1959 when the Isambaza sardine species was introduced from Lake Tanganyika), and trading (including across Lake Kivu with the Democratic Republic of the Congo). Now it is diversifying. Several construction projects are underway in the town, including a new government building and market. A government IT training centre is about to open, there is some tourism because of the magnificent scenery and good road access from Kigali, and at least one new hotel is being developed. Local (Secteur) administrative offices are located in Kibuye town; these include the agricultural officer (agronome).

The 2005/6 national poverty survey found that 41% of the rural population is below the extreme poverty line. People surveyed identified lack of land, poor soils, unpredictable weather and lack of livestock as the key causes of their poverty. Houses headed by widows, the landless, the sick, elderly people and child-headed households are the most vulnerable to extreme poverty.$^{21}$

Land tenure

Land in Rwanda is formally owned by the state except where it was under recognised traditional or leasehold tenure prior to 1962, or has been sold on a long lease. However most is held in practice under a variety of formal or customary arrangements. A nationwide programme of land registration is underway, which will convert traditional land holdings and pre-1962 leases to registered freehold or leasehold ownership.

In addition to ownership, there is a market for short and longer term rent of plots of farmland, with land made available for rent by the crop season or longer term by government, as well as by people who hold larger amounts of land, or people with land but without the resources to farm it.$^{22}$ (In the years after the genocide, government made unused land available to the landless for rent, but this is diminishing as a source of land due to land shortage)$^{23}$. However, farm land is in short supply throughout Rwanda, due to population growth and the hilly terrain. Further, landholding was been severely disrupted by civil war, displacement and the genocide: many people have undergone experiences of forced displacement either within the country or to other countries. This means that

$^{20}$ Kibuye Master Plan 2002-2016,
$^{22}$ Herman Mashara and Chris Huggins, Land reform, Land Scarcity and Post-Conflict Reconstruction: A Case study of Rwanda, in Huggins and Clover eds. ‘From the ground Up: Land Rights, Conflict and Peace in Sub-Saharan Africa’, Institute of Security Studies, Pretoria, 2005
$^{23}$ Jean Bigagaza, Carolyne Anong, Cecile Mukarubuga, Land Scarcity, Distribution and Conflict in Rwanda, in ‘Scarcity and Surfeit, the Ecology of Africa’s Conflicts, Institute of security Studies, Pretoria, 2002
land is scarce; land tenure has not been very stable, and land disputes, including intra-family land disputes, are not unusual.

Government policies
Current government policies include making changes to land use and settlement in order to consolidate plots of land and concentrate people in villages to which services can be provided.

Several government policies are directly relevant to how KivuWatt approaches land and resettlement aspects of the gas project because they affect how land is allocated and used. In particular:

- **Agricultural consolidation** – farming plots have become fragmented throughout Rwanda. Government policy is to rearrange land and land management in order to consolidate plots, either through individuals swapping plots so that each has a single larger area to cultivate, or through farmers cultivating adjacent plots managing them as a single area. Consolidation started in 2009 in the Kibuye area and the plan is to have completed this by 2012. In Gafurogoto village, the maize fields have already been consolidated. According to the local agricultural officer, this lead to higher yields, ‘last season production was high so there is no hunger and farmers have money for school fees.’

- **The Strategic Plan for the Transformation of Agriculture (PSTA)** targets sustainable production to increase household incomes and create food security. Components of this strategy include the ‘One cow per poor household’ project that aims to increase asset ownership amongst the poor, and projects to increase the effective use of fertilisers.

- **Land registration** – the Government is starting a process of systematic land registration nationwide. According to the authorities in Kibuye, this is due to start in the area in late 2010. Land Registration Centre officials will go the field, meet the people, photograph and measure fields and then register land holdings. Once registered, holdings can in principle be used as security for loans.

- **Co-operatives** - people are being encouraged to establish cooperatives for agricultural production and marketing. The Law on Cooperatives establishes the process for establishing cooperatives; the requirements regarding membership, management and financial auditing; and requires that cooperatives be authorised by the Rwanda Cooperative Agency.

- **Cash crops** – programme to improve the quality of crops produced for the market, especially coffee and bananas.
Land take overview

The KivuWatt project sites are located on the outskirts of Kibuye Town. Gafurogoto village - closest to the MLS site, where all the 27 households formerly renting land on the MLS site live – has almost 600 households. Luganda village, where several of those who previously rented land on the power plant site live, has approximately 500 households.

The 7.3 hectares of land used by the Kivu Watt project (on two sites) was expropriated by the government. The larger 5.5 ha. plot (for the power plant) was cleared of farming activities in 2007 to provide a site for the former Dane Project which did not go ahead. The smaller 1.8 ha. site for the MLS was expropriated in 2009. These lands had been used for small scale farming.

The records of the District Administration show the following project affected persons.

- A total of thirty nine PAPs, plus the local primary school, from the MLS and the power plant site combined (Annexes 3 and 4) as follows:
  - Eleven tenants who have been compensated for crops in relation to expropriation of the power plant site.
  - In addition, compensation monies have been allocated by the government to compensate the one land owner on this site for land. However the compensation to this land owner will not been paid until the on-going legal dispute between family members about who should receive this compensation is resolved. (The family situation is complex because of movements of family members out of the country during the genocide and subsequent management of the land by other family members.)
- Twenty seven individuals have been compensated for land they leased and/or crops they were growing on the MLS site.
- The local primary school (Gasura Primary School) held a lease on a part of the MLS site and has been compensated for loss of land and found replacement land to lease using compensation monies.

The administration has a detailed compensation tariff which that shows rates for different crops, trees, and structures. (See Annex5). The Ministry of Infrastructure sets rates for compensation. Each District may adjust these according to local prices. Adjusted rates require approval from the Ministry.

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24 According to the local administration, the average household size is 5-7 people.
Table 4 KivuWatt project: displacement from on–shore sites

<table>
<thead>
<tr>
<th>Land area/PAPs</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marine Landing Site (MLS)</strong></td>
<td>The MLS is on the shore of Lake Kivu. It is the site where off-shore installations will be assembled. It is leased to KivuWatt for eight years. When Phase 2 of the project enters commercial production, the MLS will revert to GoR.</td>
<td>Prior to KivuWatt, the site was government land – a part of which had been leased to the local primary school for growing fodder for the school cow (part of a government program to provide vulnerable children with milk). The rest was rented out by government on a short term basis (by the season, year or three years) to small scale farmers, e.g. one farmer interviewed for this report rented a plot of 40 x 30 meters used for growing potatoes, beans and bananas; another had 12 x 230 meters used for fodder crops and potatoes.</td>
</tr>
<tr>
<td>1.8 ha/27 people who rented and one school that owned land have been compensated</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Power Plant Site</strong></td>
<td>The power plant site is approximately 1.5 from the MLS, on a promontory rising above the shore of Lake Kivu. It is leased to KivuWatt for thirty years.</td>
<td>The site was expropriated by the government in 2007 for the benefit of the now-defunct Dane Associates gas project. The site was used for small scale farming by farmers who rented on a short term basis from the land owner, his agent, or through informal sub-letting from other tenants.</td>
</tr>
<tr>
<td>5.5 Ha/12 people who rented land were compensated. Monies have been set aside to compensate the family that owned the land, but this will not be paid until an intra-family dispute about ownership is resolved in the courts and is ascertained to whom the compensation monies should be paid.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Land users affected by project land take

KivuWatt has been provided by the GoR with a list of the people who were compensated and the total compensation that each person received. The authorities do have complete files for each PAP showing exactly what was compensated for. KivuWatt has had sight of these files. However the authorities are not able to provide third parties with this detailed information.
On the 1.8 ha MLS site, those compensated are residents of Gafurogoto village, a dispersed settlement located in the hills across the road from the site. Out of almost 600 households in the village, only twenty-seven had farming plots on the MLS site. Fifteen of the individuals who were compensated are women, twelve are men. They received compensation ranging between RWF 4,500 – 100,000 each, depending on what crops and land they lost. The people using this land had rented it as individuals for varying periods of time; they are not a distinct group from the community, and do not all know each other. Produce from plots on the MLS site was mostly for subsistence and local sale (potatoes and bananas) and cattle fodder\(^\text{25}\) for farmers’ own cows and goats or for sale.

\hspace{1cm} \text{Table 5 Census of Project Affected Persons - Marine Landing Site expropriated by Government of Rwanda in 2009}

<table>
<thead>
<tr>
<th>Site</th>
<th>File</th>
<th>Project Affected Persons</th>
<th>Gender</th>
<th>Status</th>
<th>Compensation payments made (RWF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLS</td>
<td>1</td>
<td>Uwimana Jerome</td>
<td>M</td>
<td>Tenant</td>
<td>Crops - 38,500</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Nkusi William</td>
<td>M</td>
<td>&quot;</td>
<td>Crops - 38,000</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Mukandereya Beatha</td>
<td>F</td>
<td>Leaseholder</td>
<td>Land and Crops – 100,000</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Mboninshuti Emmanuel</td>
<td>M</td>
<td>&quot;</td>
<td>Crops – 41,500</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Ntigenganya Gaudence</td>
<td>F</td>
<td>&quot;</td>
<td>Crops -15,500</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Mukangango Dafrose</td>
<td>F</td>
<td>&quot;</td>
<td>Crops -11,500</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>Ntamutuma Elias</td>
<td>M</td>
<td>&quot;</td>
<td>Crops -4,500</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>Mahargayiko Alphonse</td>
<td>M</td>
<td>&quot;</td>
<td>Crops -18,500</td>
</tr>
<tr>
<td></td>
<td>9</td>
<td>Kanyange Marie Rose</td>
<td>F</td>
<td>&quot;</td>
<td>Crops -51,500</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>Ecole Primaire Gasura</td>
<td>N/A</td>
<td>Leaseholder</td>
<td>Land/Crops -200,000</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>Mukamurera Melanie</td>
<td>F</td>
<td>Tenant</td>
<td>Crops -14,500</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>Bikorimana Evariste</td>
<td>M</td>
<td>&quot;</td>
<td>Crops -9,000</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>Hakizimana Jean Claude</td>
<td>M</td>
<td>&quot;</td>
<td>Crops -24,500</td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>Mikatukeye Meriya</td>
<td>F</td>
<td>&quot;</td>
<td>Crops -33,000</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>Gakwaya Ephrem</td>
<td>M</td>
<td>&quot;</td>
<td>Crops -55,000</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>Hakizimana Andre</td>
<td>M</td>
<td>&quot;</td>
<td>Crops -10,000</td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>Gahamanyi Paul</td>
<td>M</td>
<td>&quot;</td>
<td>Crops -3,500</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>Slyomari Concensa</td>
<td>F</td>
<td>&quot;</td>
<td>Crops -17,000</td>
</tr>
<tr>
<td></td>
<td>19</td>
<td>Goshema Ellmerec</td>
<td>M</td>
<td>&quot;</td>
<td>Crops -23,000</td>
</tr>
</tbody>
</table>

\(\text{25}\) Cattle are raised in Rwanda using the ‘zero grazing’ method. Cows are housed close to the house, and fodder is brought to them and provided in troughs. This method reduces demand for land and provides additional security to farmers.
In 2007, the government expropriated a 5.5 ha power plant site for the Karonji-Kibuye Road Extension Project, which forms part of the Kibuye Master Plan (2002-2016). This project aims to facilitate the development of an industrial zone.

On the larger 5.5 ha power plant site that was expropriated in 2007, eleven tenants (six women and five men) received between RWF 16,000 -158,000 compensation each; with an as yet unpaid RWF 22mn allocated by the government for the family that owned the land.

This set of people is now dispersed because they were residents on land that was later expropriated by the government for the Karonji-Kibuye Road Extension Project which forms part of the Kibuye Master Plan (2002-2016) and is intended to facilitate development of an industrial zone.26 Government officials do not have information on where these people relocated but expect that some will have left the Kibuye area. In some cases, KivuWatt has already been able to locate these PAPs in villages in the Kibuye area, and will continue to try and locate the others. The PAPs from the power plant site that was expropriated in 2007 comprise six women and six men.

<table>
<thead>
<tr>
<th>Site File</th>
<th>PAP</th>
<th>Gender</th>
<th>Status</th>
<th>Compensation payments made* (RWF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPS 1</td>
<td>Hezimana Marthe</td>
<td>F</td>
<td>Tenants</td>
<td>Crops – 36,486</td>
</tr>
<tr>
<td>2</td>
<td>Nyirahabukize Athalie</td>
<td>F</td>
<td>“</td>
<td>Crops – 64,386</td>
</tr>
<tr>
<td>3</td>
<td>Mukamazimpaka Donnathile</td>
<td>F</td>
<td>“</td>
<td>Crops – 150,000</td>
</tr>
<tr>
<td>4</td>
<td>Uwiragiye Thamar</td>
<td>M</td>
<td>“</td>
<td>Crops – 29,000</td>
</tr>
<tr>
<td>5</td>
<td>Nsanzimana Appolinaire</td>
<td>M</td>
<td>“</td>
<td>Crops -72,971</td>
</tr>
<tr>
<td>6</td>
<td>Ntawigira Narcisse</td>
<td>M</td>
<td>“</td>
<td>Crops - 153,713</td>
</tr>
</tbody>
</table>

26 ESIA, Section 8.1.2

KivuWatt Ltd. November 2010.
Compensation payments were made in 2007.

Source: Karonji District Lands Office

Post-compensation follow-up to assess the need for a supplementary compensation programme

A sample of people who were displaced by the MLS or power plant was interviewed in July 2010 for this report. This supplemented and extended the consultation with farmers displaced from the MLS carried out in 2009 by the ESIA consultants. The principal aim of the 2010 survey was to help KivuWatt determine the scope and focus of actions required under the RAP. Specifically, the survey investigated:

- whether the PAPs can now be located given that land acquisition took place in 2007 for one site, and 2009 for the other site;
- if PAPs have received compensation from the government;
- how PAPs evaluate their quality of life and income since the land acquisition;
- PAPs priorities for types of supplemental assistance from KivuWatt.

Table 7 PAP sample survey (July 2010) to establish the need for a Supplementary Compensation Programme (SCP)

<table>
<thead>
<tr>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using the lists of people expropriated from the power plant site and</td>
</tr>
<tr>
<td>the MLS provided by the Karongi authorities responsible for expropriation and compensation, we stopped people on the road near Gafurogoto village (which is not accessible by road) and near the power plant site and asked if they knew any of the people on the list of those compensated. We then walked to the first house identified, requested an interview, introduced ourselves, and held a discussion (see below).</td>
</tr>
<tr>
<td>After each interview, we asked the person interviewed if he/she knew any of the others on the list. Everyone who we spoke to was able to identify one or two people on the list but none knew all of the others. In several cases, we were told that the person on the list was away from their home temporarily or permanently. The people displaced from rented plots on the MLS or the power plant site were not identified as being neighbours, or kin, or any specific group within the wider community.</td>
</tr>
<tr>
<td>At the time of the fieldwork, election preparations were in full swing and village leaders were not available for meetings.</td>
</tr>
<tr>
<td>Interviews</td>
</tr>
<tr>
<td>Interviews with PAPs covered the following topics:</td>
</tr>
</tbody>
</table>
Introductions – who we were, why we were there, and a request to participate in the interview (this request was granted in all cases)

- Confirmation that the PAP had previously held land on the MLS or power plant site
- Uses made of the land that had been expropriated
- The compensation process and payments received
- How compensation monies had been used
- Changes in the PAPs life (quality of life, income) since expropriation
- PAPs priorities for livelihoods enhancement.

Timing: each interview took approximately 3 hours including time to find and walk to the PAP’s home, hold a meeting and get directions to the next interviewee.

Most of those interviewed had rented very small plots on the KivuWatt sites. The land from which they were displaced was not their sole source of income or subsistence. All confirmed that the compensation amounts due to them had been paid by the District; most had not used the compensation to rent other land, though several now regretted not having done so. All claimed that their livelihoods are worse since they lost access to the land because they now have to buy some or all of their food. The priorities for those interviewed are to acquire additional land for cultivation and secure stable employment. One of the households interviewed is completely landless; the others do still have some land.

There have also been some benefits from the land acquisition and compensation. One household reported having substantially improved their quality of life, though not their income because they used compensation money to install electricity and good windows. One PAP is employed on the KivuWatt site. Each family of those surveyed, except that headed by a widow, is currently earning some income through paid employment in the area.

However, the conclusion based on the sample survey is that livelihoods of those economically displaced have not improved after losing access to the land. On this basis, KivuWatt has made a voluntary commitment to develop a Supplementary Compensation Programme (SCP) for people economically displaced from the two sites that KivuWatt has leased. The SCP will provide one-off, targeted assistance designed to assist PAPs improve their livelihoods on a sustainable basis. The SCP is outlined in greater detail in Section 5.

Consultation with PAPs on the SCP

In November 2010 KivuWatt started consultation with PAPs on the design of the SCP. This involved face to face meetings with those PAPs who were interviewed in July 2010 and available for a follow
up meeting and a group meeting with PAPs from the MLS site. The purpose of these meetings was to secure feedback on KivuWatt’s initial plans for the SCP and solicit additional ideas. As of mid-November 2010, almost half of the PAPs have been involved in follow up consultation. Further efforts will be made to contact the rest of the PAPs for this round of consultation. Once this is completed, there will be follow up meetings to consult on detailed SCP proposals.

The key messages from this consultation to date on the content of the SCP are as follows:

- PAPs welcome KivuWatt’s plans for a SCP and are anxious for this to start as soon as possible.

- PAPs’ initial response was a request for additional cash compensation.

- Several PAPs stated in consultation that they prefer a co-operative form of organization for whatever income generating activities they develop. This would require new co-operatives to be established (along the lines of the fishing co-operatives that already operate on the lake). But in order to minimize risks of conflict between PAPs, they have a strong preference for external people to be employed to manage the co-operatives to ensure fair play.

- There is strong interest in co-operatives to provide lake and road transport services, e.g. boats that can transport goods between markets across and around the lake. Some transportation ideas are probably beyond the scale of KivuWatt’s SCP, for example, co-operatives to own trucks for road transport around Kibuye. (Although KivuWatt will look into this further, establishing road transport cooperatives appears likely to be a more expensive and complex project that envisaged for the SCP. However the SCP can investigate whether there are projects that Kibuye PAPs could potentially link in with.)

- Because of land shortage, many PAPs consider that agriculture does not offer good long term income generating prospects, though there is interest on the part of some for assistance to improve farming, for example animals or seeds.

As set out in the RAP Action Plan (Table 10), once this consultation is completed, KivuWatt will analyze the results, identify partners who can help implement the programme, and develop detailed SCP proposals to present to the PAPs for further consultation.

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27 The group meeting was held on November 11 at 3pm, a time that was preferred by PAPs because work in fields, and at the market was finished for the day. It involved eighteen PAPs (both male and female) and was conducted in Kinyarwanda. See Annex 5.
Profiles of PAPs

Table 7 presents summaries of interviews with individual PAPs carried out in July and November 2010. These illustrate the livelihood impacts of land acquisition for the KivuWatt project, the uses people have made of their compensation payments and their evaluation of the impact that expropriation and compensation had had on their lives. The names have been anonymised to respect PAPs’ privacy.

Table 8: Summary of interviews (July and November 2010) with landholders displaced from land used for the KivuWatt project

<table>
<thead>
<tr>
<th>Person compensated</th>
<th>Compensation</th>
<th>Interviewee comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>AM Family – husband and wife, children aged 9 and 7. Husband and wife interviewed.</td>
<td>MLS RWF 18,500 compensation for crops</td>
<td>We had one plot of land on the MLS site where we grew potatoes, bananas and fodder. We did not have any other land. The money was not enough to buy replacement land. It is a problem to get the money to buy land; people spend what money they have. It took a long time to receive the money. Now we have to buy our food at the market. It was good to get some money in the bank. This was used to finish up building the house he is living in now. According to him, he was happy with the amount of compensation he received and it was useful to him because it enabled the family to have a better house to live in. Alphonse earns money doing building jobs e.g. making mud bricks.</td>
</tr>
<tr>
<td>N family (wife interviewed) Husband and wife and three children.</td>
<td>MLS RWF 38,000 compensation for crops</td>
<td>We had two plots on the MLS site between July 2006 and January 2009 – each 12 x 230 meters. We grew fodder and potatoes. We do have some land around our house where we grow bananas. We also rent some other land. We used the compensation to improve the house – electricity and cementing the walls, so our living conditions are better. We are also worse off now because we have to pay more rent for the new land. About RWF 5000 for 1 ha for three months. (The government charged RWF 15,000/year for a large plot and RWF 10,000/year for a small plot.)</td>
</tr>
<tr>
<td>J families - one female family member interviewed</td>
<td>MLS 40,000 compensation for crops</td>
<td>Our group of five families held 50 x 230 meters which we used to grow timber for building. We were not compensated for two of the four large trees on the plot. It took a long time to get the money in the bank and we went to Kibuye to ask if we could grow on the land until the money came. We do have 18 x 40 meters of land behind our house as well as some land around the house. The compensation was divided between 5 families so we got RWF 8,000 each. My family had a debt of RWF 4,000, so we paid this back, and then had RWF 4,000 left. We were better off when we had the land because we sold some timber every three months. Now we get money when my husband works on buildings.</td>
</tr>
<tr>
<td>U family – widow with one adult son and three other children aged 10, 13, 16</td>
<td>Power plant site RWF 29,000 compensation</td>
<td>I paid someone RWF 20,000 to use some land for three years. It belonged to someone who went away then someone else took it and rented it. I grew beans, avocados, bananas and cow fodder.</td>
</tr>
<tr>
<td>Family</td>
<td>Interviewed</td>
<td>Power plant site</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Ns family</td>
<td>Wife interviewed</td>
<td>Power plant site</td>
</tr>
<tr>
<td>M family</td>
<td>Wife interviewed, husband present too</td>
<td>Power plant site</td>
</tr>
<tr>
<td>S family</td>
<td>Not interviewed</td>
<td>Entitled to RWF 22,386,585</td>
</tr>
<tr>
<td>Si</td>
<td>MLS – Received 17,000 RWF</td>
<td></td>
</tr>
<tr>
<td>G P</td>
<td>MLS site – received 3,500 RWF</td>
<td></td>
</tr>
<tr>
<td>H J</td>
<td>MLS – Received 40,000 RWF</td>
<td></td>
</tr>
<tr>
<td>G E</td>
<td>MLS – Received 55,000 RWF</td>
<td></td>
</tr>
</tbody>
</table>
In addition to the compensation paid to individuals, Gasura Primary School - which serves Gafurogoto village – was compensated as an owner for land the school leased on the site. This land was used to grow fodder for the school cow, and has been replaced with alternative land.

**Table 9: Land Compensation: Gasura Primary School**

| Gasura Primary School is in the hills behind Gafurogoto village. It has 496 children on the roll. The school had a small field on the MLS. The field was used to grow forage for the school cow. The school cow is used to provide milk for the eighty students identified as special cases - vulnerable children, for example, children of widows. According to the school principal, Marie Rose Kanyange, in an interview held at her home on July 27, 2010, after losing the forage area on the MLS, the local authority (Secteur authority) helped the school to find and buy an alternative field, also located on the lake side. This field is as productive and as convenient as the former field. However the school did experience some losses due to the displacement. Firstly, it took a lot of her time to arrange an alternative field. Further, the total cost of acquiring and preparing the new field was 350,000 francs whereas the compensation paid amounted to 200,000. This required the school to draw on its annual operating budget to cover the cost. Because alternative land was found, the children entitled to milk still receive milk. |

Stakeholder engagement

Both KivuWatt and the District authorities have undertaken consultation with people who previously used land now allocated to KivuWatt.

- **KivuWatt has undertaken consultation as follows:**
  - Consultation in December 2008 and January 2009 as part of the ESIA
  - A baseline survey of the famers who has rented land on the MLS site (2009)
  - Meetings in August 2010 with a sample of land users who were compensated for land on the MLS or power plant/access road site to understand the impacts of expropriation and famers’ broad preferences for income restoration; meetings with District and sector authorities to understand the compensation process and current land use and agriculture policies and programs in the Kibuye area.
  - Meetings in November 2010 with individual PAPs and a group of PAPs who were displaced from the MLS site to further discuss their priorities for livelihood enhancement and KivuWatt’s initial proposals for supplementary compensation. As a result of meetings with individual PAPs, one local resident was found who knew many of the PAPs and helped KivuWatt set up a group meeting at a time convenient to the PAPs. The soccer field meeting was held on Thursday, 11th of November at 3pm. The meeting was conducted in Kinyarwanda. There were both men and women present.28

- **Government**

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28 See Annex 5.
• Explained to land users that land would be expropriated and surveyed assets
• Returned to explain compensation amounts and payments process.

• Future consultation
  • KivuWatt is in the process of completing consultation with PAPs on the SCP. The initial round of consultation will be completed in 2010, and will then be followed up in Q1 2011 with consultation on KivuWatt’s detailed proposals for the SCP that takes account of PAPs’ preferences where feasible. This consultation on the specifics of the SCP is expected to include the local administration that has direct responsibilities to support the development of cooperative enterprises.
  • KivuWatt will introduce the Community Relations Officer to the local administration and communities and hold regular community meetings to inform people on progress of the project, any relevant employment opportunities (including job requirements, and the application and selection process) and discuss any community responses, concerns or issues.
  • KivuWatt will seek to establish a Kibuye Community Forum that has representation from the local administration and from the community (including PAPs) to advise on the SCP/CDP and on grievances related to either. KivuWatt will aim to have at least an annual meeting with the Kibuye Community Forum at which progress in implementing the SCP (and KivuWatt’s community program) can be reviewed by the company and its local stakeholders.
  • In relation to any grievances related to the ARAP, The Community Liaison Officer will log any complaints and work with KivuWatt and the local administration to seek resolution.
  • The Kibuye Community Forum will be consulted on in the event of grievances that cannot be remedied directly.

Compliance with Rwandan law and lenders’ policies and standards

The process of land acquisition and compensation undertaken by GoR that provided land for KivuWatt was conducted in compliance with Rwandan law. The process is documented; for each person who is compensated, the file shows the compensation paid and individual sign-off sheets agreeing to the list of assets to be compensated. The officials responsible for making payments were interviewed as part of this study, and were familiar with the households and the basis on which they were compensated.
In the sample survey of people who received compensation on both the MLS and the power plant site all confirmed that their crops etc had been catalogued by the government and compensation paid and that they had received the amount listed on the files. Everyone interviewed was critical of the time that elapsed between the surveys and receiving compensation, in some cases this appears to have been due to the time taken before people set up bank accounts since all compensation money is paid into bank accounts.

Consistent with lender policies, PAPs with recognized title (formal or informal) were compensated for land, others were compensated for crops, trees etc. All the land users interviewed for this study were clear about whether they owned or rented land, and therefore what was due to them in compensation.

The process of land acquisition and compensation conforms in many ways with the requirements of lender policies and standards. Specifically:

- The design of the project that locates most activities conducted off-shore minimizes the need for land;
- All users and uses of the land allocated for use by KivuWatt were enumerated and all compensation fully documented;
- Landowners were compensated for land and crops etc and non-landowners were compensated for crops etc according to an explicit entitlements matrix;
- The compensation process includes consultation and a grievances process.

However, the process does not meet the requirements of lenders that people affected by involuntary resettlement should be as least as well off, or have an improved standard of living, than before. The sample interviews found that those who were economically displaced as a result of the expropriation of the land that is now used by the KivuWatt project are not now better off than when they had access to this land. There are two principal reasons for this. The first is that in some cases, people chose not to use compensation money to acquire replacement land but to spend it on improving their houses or buying essential items instead. For example, in one case a widower farmer on the power plant site had been paying RWF 20,000 for land for three years, but did not spend the RWF 29,000 compensation on replacement land. The second reason is that land is scarce and expensive, and some who sought replacement land were unable to find any that they could rent with the money they received in compensation. None of the people compensated interviewed for this study reported that they had been given any advice on how to use their compensation money.
In the context of lenders’ policies, KivuWatt will therefore take action to help the people affected by land acquisition improve their livelihoods. The approach proposed by KivuWatt is to develop and implement a Supplementary Compensation Plan (SCP).

**Action Plans**

**Introduction**

The KivuWatt ARAP action plan has four components:

- Completing the task of finding the current whereabouts of the people (PAPs) displaced in 2007 and 2009 when the power plant and MLS sites were expropriated by GoR.
- Consulting with PAPs and the local administration on the SCP.
- Identifying and contracting NGO and other organizations to support implementation of the SCP.
- Implementing the SCP.
- Monitoring and reporting on ARAP/SCP implementation.

**Locating PAPs**

KivuWatt has succeeded in locating some of the PAPs and will continue to do so during Q4 2010 in order to prepare a complete list of people eligible for the SCP and consult on the shape of the SCP.

**Consultation**

Consultation has been on-going since the project launched the ESIA process when the first public meetings were held on the KivuWatt project. As of November 2010, KivuWatt is in the second phase of ARAP consultation. This is the process of locating those PAPs who remain within the Kibuye area. To date, KivuWatt has met with half of the PAPs and is in the process of making contact with the rest of those who remain in the Kibuye area. This round of consultation with PAPs focuses on presenting KivuWatt’s outline proposals for the SCP, and soliciting input from PAPs on the specific form and content of the programme. In parallel, KivuWatt is discussing the SCP with the local administration to secure their ideas and input and understand what the local government can provide, for example, in support to set up new cooperatives, which is part of the role of local agriculture and fishery officers. This will be followed by a third round of consultation which will focus on detailed proposals for the SCP which will reflect the priorities and concerns of PAPs in the second round of consultation, as well as technical feasibility, PAP capacities and the resources available.
Overall approach

This section sets out the overall approach KivuWatt plans to take through a Supplementary Compensation Plan (SCP) to support livelihood enhancement for economically displaced PAPs. It then sets out in detail the actions that KivuWatt will take to develop and implement the Supplementary Compensation Plan.

KivuWatt will implement a Supplemental Compensation Programme to assist the economically displaced PAPs (including those displaced due to the former Dane Energy project on the site that has subsequently been allocated to KivuWatt). Displacement has already happened and was undertaken by the Government: the aim of the SCP is to provide assistance in improving the livelihoods of the PAPs such that they can better than before displacement.

A principal of resettlement planning is that where possible, people with land-based livelihoods should be provided with replacement land. In interviews with PAPs in July 2010, most identified finding replacement land as a priority. Because land is the priority need of those who lost land, particularly those who rented the very small plots on the MLS, KivuWatt has already discussed with government whether any replacement rental land can be provided to PAPs from government holdings. The company has been told that there is no such land available. This reflects the land shortage in Rwanda. Therefore the SCP focuses on alternative ways of helping PAPs enhance their livelihoods. Consultation on alternatives is currently underway.

KivuWatt is also committed to developing and implementing a Community Development Programme (CDP) that will assist residents of the Kibuye area improve their livelihoods. Discussions are underway with the District Governor concerning possible agricultural projects including the establishment of co-operatives to grow tomatoes for the commercial market (including KivuWatt) and possibly small-scale fish farming in Lake Kivu. KivuWatt’s Supplementary Compensation Plan for economically displaced PAPs will be implemented alongside the CDP. PAPs will be amongst the first to be offered the opportunity of participating in the CDP.

The general principles applied in developing KivuWatt’s Supplementary Compensation Plan are as follows:

- Recognising that land acquisition and compensation is by law a government prerogative; that the government is implementing a series of land related reforms at the moment, and that access to land is a sensitive and complex post-conflict issue, KivuWatt will ensure that any actions it takes with respect to former land users are discussed and agreed in principle with the

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29 KivuWatt Power Plant ESIA, Appendix A Environmental and Mitigation Plan, Section 6.1.3
local authorities prior to negotiation with the individuals affected. As a result of discussions with the local authorities, the plans set out below may change.

- Because the sample survey of economically displaced people found that in most cases people have not been able to restore their livelihoods, KivuWatt will offer some supplementary income restoration support to all those tenants who lost land on the MLS and the power plant site and who can now be traced. This will be based on individual negotiations with the PAPs within an overall menu agreed between KivuWatt and the local administration. KivuWatt’s preference is for supplementary compensation to be provided through participation in income generating projects such as greenhouses that the company will establish as part of the CDP.

- KivuWatt will also offer supplementary compensation to Gasura Primary School with respect to the land that the school formerly held on the MLS. Although the school was provided with replacement land, it incurred out of pocket expenses for which were not compensated for.

- KivuWatt accepts a responsibility for helping people directly affected by project land take (and who remain in the Kibuye area) to restore or improve their livelihoods and secure development benefits from the project. KivuWatt also seeks to avoid creating any long-term dependency on the project. As far as possible, the SCP will coordinate with government livelihood and income generation programmes such as ‘one cow per poor household; agricultural intensification etc. Support from the SCP will be one-off. Thereafter, PAPs, alongside other residents of the area, will be able to participate in the KivuWatt Community Development Program.

- The specific components of the SCP are being developed in consultation with PAPs within the framework of the overall budget for the RAP.

The SCP programme

Government policy in Rwanda is to focus on creating step change improvement in rural livelihoods through more intensive use of land. Therefore KivuWatt plans to try to secure local government support and the assistance of experienced local NGOs to set up intensive greenhouse cultivation of tomatoes and other vegetables for the market or other income-generating cooperatives that match the capacity and preferences of the PAPs and the resources available for the SCP. Those people who were displaced from rented land because of the KivuWatt project will be encouraged to join the cooperatives as a route to securing a sustainable improved livelihood. However where this is not possible or welcomed by individual farmers, KivuWatt will seek to agree alternative one-off supplementary assistance.

Other approaches to livelihood enhancement being evaluated by KivuWatt include the following:
• employment opportunities on the construction site for those PAPs with appropriate skills;
• cash to cover the cost of renting replacement land if any PAPs can identify such land on the private rental market;
• cash to purchase a cow, goats or chickens where people have fodder available;
• assistance with securing fertiliser or other farm inputs.

Table 10: Greenhouse Agriculture

KivuWatt is investigating the possibility of working with the local agriculture department and NGOs to sponsor the establishment of one or more greenhouses for intensive production of tomatoes and other vegetables. This is an approach to providing higher land based incomes that has been applied successfully in Rwanda and is being promoted as a way of increasing rural incomes through very intensive use of land. One greenhouse has been established by the local authorities in Karongi, close to the district headquarters, several more are operating in the Kigali area.

The local administration in Kibuye is enthusiastic about this project and has indicated that land for a greenhouse could potentially be available in Gafurogoto village.

KivuWatt is in contact with a Rwanda based NGO that has experience of developing greenhouse projects. The experience of one organisation (Rwanda Works) that has established greenhouses in Kigali is that 1000m\(^2\) of greenhouses (4 x 250m\(^2\)) produces 60 tons/year of tomatoes.

The first step in setting up a greenhouse is for the local ‘agronome’ to hold meetings in the village and determine what interest there is in such a project. Assuming interest, the administration will assist the community to establish a cooperative or association to run the project. KivuWatt will then work with the administration and local organisations to supply, set up and provide the necessary training to cooperatives on technical, management and marketing aspects. KivuWatt will meet the costs of setting up the greenhouse. This project will be a part of KivuWatt’s community program, but the economically displaced PAPs will be encouraged to participate.

Given these considerations, the specific actions proposed by KivuWatt in its SCP are as follows.

1. Subject to agreement from the local authorities, KivuWatt will offer to compensate Gasura Primary School for out of pocket expenses that were incurred by the school when the fodder land they used to have on the MLS site was replaced with alternative land.

2. Further, KivuWatt will offer to enhance the school’s capacity to provide milk to vulnerable children by purchasing an additional cow for the school. This is based on preliminary information provided in an interview with the school principal that there is sufficient fodder for more than one cow, and dependent on confirmation that the school does have sufficient fodder.

3. For individual economically displaced persons, and depending on the results of consultation with the authorities and the PAPs, KivuWatt expects to be able to offer PAPs the choice of one of the following options.
   a. Participation in a co-operative project e.g. greenhouse or lake transportation that generates cash income.
b. Cash to cover the cost of one year’s rent of replacement land equivalent to that lost if people can privately identify such land, and provide assurance that monies provided by KivuWatt will be used for land acquisition.

c. In some cases, where displaced people do have other plots of land that are not as productive as they might be, KivuWatt will consider providing finance to help farmers purchase a cow, goats or chickens, or initial assistance with securing fertiliser or other farm inputs in order to increase productivity.

d. Temporary employment on the construction site where people have appropriate skills and a preference for paid employment.

e. In some cases, where there are training programmes (such as in the government IT centre being set up in Kibuye) KivuWatt will consider providing financial assistance to PAPs to undertake a training course for which they are qualified.

4. KivuWatt will seek in good faith to negotiate with each of the individuals who lost land to the project an appropriate and acceptable one-off supplemental benefits package incorporating one or more of the components above (or other components as agreed with the local authorities). In any cases where this cannot be agreed, KivuWatt will seek guidance from the local authorities on the way forward.
<table>
<thead>
<tr>
<th>Issue</th>
<th>Action</th>
<th>Estimated cost</th>
<th>Responsibility</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Locating PAPs from 2007 and 2009 displacements</td>
<td>Complete work to find out which PAPs remain in the Kibuye area</td>
<td>KivuWatt staff time</td>
<td>KivuWatt</td>
<td>Q4 2010-Q1 2011</td>
</tr>
<tr>
<td>2 Feasibility, acceptability and design of SCP</td>
<td>Consultation on SCP with PAPs and local administration</td>
<td>KivuWatt staff time plus meetings costs estimated up to $250</td>
<td>KivuWatt with support from local administration</td>
<td>Q4 2010, Q1-2 2011</td>
</tr>
<tr>
<td>3 On-going consultation once the SCP is established</td>
<td>Set up a Kibuye Community Forum involving representatives of the local administration, community and PAPs to advise on the SCP, CDP and grievance resolution.</td>
<td>KivuWatt staff time plus $1000/year for meetings, documents etc</td>
<td>KivuWatt</td>
<td>Q1-2 2011</td>
</tr>
<tr>
<td>4 Costs incurred by Gasura School in replacing their forage land on the MLS and not covered by compensation.</td>
<td>Make a donation to Gasura Primary School to cover the extra costs incurred in finding and preparing replacement land.</td>
<td>RWF 150,000 (Approx. $260)</td>
<td>KivuWatt Subject to approval by the District Authorities.</td>
<td>Q1 2011</td>
</tr>
<tr>
<td>5 Improving the standard of living of vulnerable people including those with school age children who lost land</td>
<td>Provide an additional cow to the school for the school milk program that provides milk to vulnerable children.</td>
<td>RWF 170,000 ($290) - $500. Local cows cost around RWF 170,000 per full-grown cow. Imported cows cost more, e.g. $500+ through Heifer International.</td>
<td>KivuWatt with Gasura primary School and District agricultural officials to select choice of cow. Subject to approval by the District Authorities and the school.</td>
<td>Q1 2011</td>
</tr>
<tr>
<td>6 Loss of access to rented land.</td>
<td>Find out if the government can provide replacement land.</td>
<td>N/A</td>
<td>KivuWatt Done – no land available.</td>
<td>Done Q3 2010</td>
</tr>
<tr>
<td>7 Need for additional income to purchase food due to reduced access to land to cultivate</td>
<td>The EPC contractor has been given the names of the 27 people who used to farm on the MLS site and the 12 displaced in 2007 for the power plant site. Civicon will be asked to give preference to</td>
<td>No direct costs – some administrative time to implement and document.</td>
<td>KivuWatt and Civicon Much of the work on the MLS is skilled. But there will be some short term labouring work that</td>
<td>Done Q3 2010</td>
</tr>
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</table>
these people where they meet job requirements.

PAPs have indicated during consultation that they would welcome employment opportunities on the site.

KivuWatt will sponsor local organisations to work with the community to form cooperatives and will provide the initial finance (capital and first year’s operational costs) to develop one or more income generating projects e.g. greenhouses for intensive cultivation of tomatoes and vegetables/boats to provide lake transportation.

The target area will be Gafurogoto village. Efforts will be made to develop a project that provides a sustainable supplementary income to people who lost tented land to the MLS.

Greenhouse - Cost of land if any plus greenhouse costs set up – estimated by one Kigali based NGO at $40,000 for 1000m² of greenhouses including supply and training.

Lake transport – boats estimated at $4,000 each plus initial years salary for co-operative secretary and costs of local NGO to help set up.

KivuWatt and local government supported by NGOs with relevant experience.

Consultation will be held with each of the people who received compensation for land rented on the sites being used by KivuWatt to agree supplementary compensation that will enable an improved standard of living on a sustainable basis.

Budget of RWF 200,000 average for each of 38 people, RWF 7.6mn, $13,000

KivuWatt in consultation with local government and PAPs. Process and package to be discussed with local government in advance to avoid risks of creating tensions within the communities where project impacted people live.

Any grievances related to implementation of the ARAP will be managed as part of the project’s overall grievance management system. The Community Liaison Officer will log any complaints and work with KivuWatt and the local administration to seek resolution. KivuWatt will introduce the Community Relations Officer to the local administration and communities and hold

KivuWatt

Established Q1 2011
regular community meetings to inform people on progress of the project, any relevant employment opportunities (including job requirements, and the application and selection process) and discuss any community responses, concerns or issues.

The Kibuye Community Forum will be consulted on in the event of grievances that cannot be remedied directly.

11  RAP reporting and monitoring  

KivuWatt will report annually on the progress of each of the actions listed above and keep the community informed as part of the Public Consultation and Disclosure Plan (PCDP).

Three years after Phase 2 of the project comes into operation, KivuWatt will commission a study of the impacts of the project on local livelihoods including on the people directly impacted through land take.

Estimated consulting costs for study on project impacts on local livelihoods: $50,000  

KivuWatt  

Annual  

Approx. 2016
Management

KivuWatt responsibilities

Overall responsibility for implementation and monitoring of the ARAP including the Supplementary Compensation Plan rests with KivuWatt’s Country Manager. He is initially being supported by KivuWatt’s consultants working with KivuWatt existing staff, including one staff member who has qualifications in international development. Subsequently, KivuWatt’s Environmental Health, Safety and Social Performance (EHSSP) Manager (currently being recruited) will take over day-to-day responsibility, reporting to the Country Manager.

KivuWatt’s Construction Manager and the EPC contractor, Civicon, are responsible for ensuring that PAPs are given opportunities for employment on the construction stage of the project where PAPs have suitable skills and capabilities and employment opportunities are available.

Local government and non-governmental organizations are currently being identified and evaluated as potential partners to assist implementation of specific plan components such as inputs and training to increase agricultural productivity, or establishment of a community income-earning greenhouse.

In order to develop and implement the Supplementary Compensation Plan, KivuWatt requires the assistance of the local government authorities to provide data on the PAPs from the 2007 and 2009 expropriation processes. This has been provided. KivuWatt is also seeking support in principle from the government authorities to the Supplementary Compensation Plan as well as collaboration on delivering specific components such as provision of an additional milk-producing cow of the local primary school.

Grievance Mechanism

Rwandan law provides for an appeals procedure in relation to expropriation and compensation. The government has assured KivuWatt that there were no grievances related to the expropriations for land now occupied by KivuWatt other than one complex intra-family dispute about who should receive the compensation monies. This dispute is being handled through the Rwandan courts and the compensation monies will be paid after the court makes a judgment. Therefore KivuWatt does not take any responsibility for grievances related to the government compensation programme that has already been completed.

In relation to KivuWatt’s Supplementary Compensation Plan, any grievances or misunderstandings will be managed through KivuWatt’s Community Relations and Grievance Management Procedure. Under this procedure, PAPs will be able to raise issues directly with the Community Liaison Officer.
(CLO). The CLO will pro-actively establish contact with PAPs and the co-operatives set up under the SCP. A contact phone number will also be shown at KivuWatt site entrances.

The CLO is expected to be able to resolve grievances misunderstandings that arise in relation to the SCP. However, if as needed, the proposed Kibuye Community Forum will be asked for advice. Grievances related to the Supplementary Compensation Plan and the steps taken to resolve them will be separately recorded from any other grievances related to the KivuWatt project in order to facilitate monitoring of the ARAP.

Implementation Schedule

KivuWatt has started implementation of the ARAP in Q3 2010. The Government of Rwanda completed land acquisition and compensation in 2009. KivuWatt expects to complete the Implementation of the Supplementary Compensation Plan by end 2012. Three years after Phase 2 comes into operation (or three years after Phase 1 comes into operation if Phase 2 does not go ahead) the overall impact of the project on local livelihoods will be studied. This study will review the Supplementary Compensation Plan, Community Development Plan, direct employment and indirect employment as far as this can be assessed. As long as the results are satisfactory, at this point, ARAP implementation will be complete.
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<td>Q3</td>
<td>Q4</td>
<td>Q1</td>
<td>Q2</td>
</tr>
<tr>
<td>1</td>
<td>Complete work to find out which PAPs remain in the Kibuye area</td>
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<td>2</td>
<td>Consultation on setting up the SCP with PAPs and local administration:</td>
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<tr>
<td></td>
<td>• Initial consultation on SCP content November/December 2010</td>
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<td></td>
<td>• Follow up consultation with detailed proposals based on results of the initial consultation January/February 2011</td>
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<tr>
<td></td>
<td>• Follow up with PAPs and local administration to start implementation of cooperatives Match/June 2011.</td>
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<td>3</td>
<td>Set up a Kibuye Community Forum involving representatives of the local administration, community and PAPs to advise on the SCP, CDP and grievance resolution.</td>
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<td>4</td>
<td>Make a donation to Gasura Primary School to cover the extra costs incurred in finding and preparing replacement land.</td>
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<td>5</td>
<td>Provide an additional cow to the school for the school milk program.</td>
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<td>6</td>
<td>Find out if the government can provide replacement land for PAPs.</td>
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<td>7</td>
<td>The EPC contractor has been given the names of the PAPs. Civicon will be asked to give preference to these people where they meet job requirements. One PAP is currently employed on the site.</td>
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<td>8</td>
<td>Identify and sponsor local organisations (local administration/NGOs) to work with the community to form cooperatives; provide the initial finance (capital and first year’s operational costs) to develop one or more greenhouses for intensive cultivation of tomatoes etc. or lake transportation.</td>
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<td>9</td>
<td>Good faith negotiation to agree Individual supplementary compensation packages where individual PAPs unwilling or unable to join the cooperatives being set up by KivuWatt in</td>
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<td>No.</td>
<td>Action Description</td>
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<td>10</td>
<td>Set up grievance mechanism</td>
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<td>11</td>
<td>Report annually on the progress of each of the actions listed above and keep the community informed as part of the Public Consultation and Disclosure Plan (PCDP). Three years after Phase 2 of the project comes into operation, commission a study of the impacts of the project on local livelihoods including on the PAPs.</td>
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</table>
Budget

The estimated RAP budget of $300,000 as stated in the ESIA is expected to be sufficient for implementing the supplementary compensation and RAP consulting fees, including a livelihoods impact study following implementation of the SCP. This budget does not include KivuWatt management time.

If the cooperatives set up under the SCP involve wider participation from the community than the displaced farmers, a proportionate part of the budget will be separately financed as part of KivuWatt’s Social Management Plan and met from KivuWatt’s community development programme.

The budget estimates that up to $200,000 will be spent on implementing the SCP and up to $100,000 on consulting costs of which half will be spent on the evaluation of the livelihood impacts of the KivuWatt project including the ARAP. The budgetary resources and funds for implementing and monitoring the ARAP will be covered by KivuWatt.

**Table 13 ARAP budget**

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Specifics</th>
<th>Estimated budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of SCP</td>
<td>Action Plan items 4,5,7,8,9</td>
<td>$200,000</td>
</tr>
<tr>
<td>Consultancy support</td>
<td>Action Plan items 1,2,3,10</td>
<td>$50,000</td>
</tr>
<tr>
<td>Monitoring and reporting</td>
<td>Action Plan item 11</td>
<td>$50,000</td>
</tr>
</tbody>
</table>
Annex 1 Rwandan law on expropriation, 2007

LAW N° 18/2007 OF 19/04/2007 RELATING TO EXPROPRIATION IN THE PUBLIC INTEREST

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 The Senate, in its session of March 16, 2007;

Given the Constitution of the Republic of Rwanda of June 4, 2003 as mended to date especially in its Articles 11, 29, 30, 31, 62, 66, 67, 88, 89, 90, 91, 92, 93, 94, 95, 108, 118, 121 and 201;

Given Organic Law n°08/2005 of July 14, 2005 determining the use and management of land in Rwanda; Given Organic Law n° 04/2005 of April 8, 2005 determining the modalities of protecting, conserving and promoting the environment in Rwanda; 21/79 of July 23, 1979 relating to expropriation as confirmed by Law n° 01/82 of January 26, 1982;

ADOPTS:

CHAPTER ONE : GENERAL PROVISIONS

Article one:

This law determines the procedures relating to expropriation in the public interest.

Article 2: In this law, the following terms shall be defined as follows:

1° act of public interest : an act of Government, public institution, non governmental organization, legally accepted associations operating in the country or of an individual, with an aim of a public interest;

2° just compensation : an indemnity equivalent to the value of land and the activities performed thereon given to the expropriated person and calculated in consideration of market prices;

3° expropriation : the taking of private property in the public interest aimed at development, social welfare, security and the territorial integrity;

4° competent authority : one or more organ (s) which have authority provided for by the law ; 5° person requesting for expropriation : a State organ, non governmental organizations, legal associations operating in the country or an individual who intends to carry out the act of expropriation and who is obliged to apply to the expropriator ;

6° expropriator : a government organ with responsibilities and powers conferred by law to carry out expropriation due to public interest ; 7° person to be expropriated : any person or a legally accepted association operating in the country who is to have his or her
private property transferred due to public interest as well as legally accepted local administrative entities and public institutions.

Article 3: Only Government shall carry out expropriation. Expropriation as provided for in this law shall be carried out only in the public interest and with prior and just compensation.

No person shall hinder the implementation of the program of expropriation on pretext of self centered justifications. No land owner shall oppose any underground or surface activity carried out on his or her land with an aim of public interest. In case it causes any loss to him or her, he or she shall receive just compensation for it.

Article 4: Every project, at any level, which intends to carry out acts of expropriation in public interest shall provide funds for inventory of assets of the person to be expropriated and for just compensation on its budget.

CHAPTER II: ACTS OF PUBLIC INTEREST

Article 5: Acts of public interest are:

1° roads and railway lines;
2° water canals and reservoirs;
3° water sewage and treatment plants;
4° water dams;
5° rainwater canals built alongside the roads;
6° waste treatment sites;
7° electric lines;
8° gas, oil, pipelines and tanks;
9° communication lines;
10° airports and airfields;
11° motor car parks, train stations and ports;
12° biodiversity, cultural and historical reserved areas;
13° acts meant for security and national sovereignty;
14° hospitals, health centers, dispensaries and other public health related buildings;
15° schools and other related buildings;
16° Government administrative buildings and their parastatals, international organizations and embassies;
17° public entertainment playgrounds and buildings;
18° markets;
19° cemeteries;
20° genocide memorial sites;
21° activities to implement master plans of the organization and management of cities and the national land in general;
22° valuable minerals and other natural resources in the public domain;
23° basic infrastructure and any other activities aimed at public interest which are not indicated on this list that are approved by an Order of the Minister in charge of expropriation, at own initiative or upon request by other concerned persons.

Article 6: In any case, individual activities meant for private interests, particularly, shall not be referred to as activities aimed at public interest. If necessary, the owner of the activities shall negotiate with the person to be expropriated and shall give him or her just compensation in accordance with relevant laws and in consultation with competent authorities. If it is clear that such individual activities are of public interest and the nation at large,
they shall be considered as being in public interest, but the owners of the activities shall be liable for payment of charges for inventory of assets and of just compensation of the person to be expropriated.

Article 7 : Dispossession of degraded and unexploited land as provided for by article 76 of Organic Law n° 08/2005 of 14/07/2005 determining the use and management of land in Rwanda makes the person whose land has been definitively dispossessed be deprived of the right to just compensation paid to persons expropriated for public interest.

CHAPTER III : COMPETENT ORGANS, PROCEDURES AND RIGHTS OF THE EXPROPRIATED PERSONS AND THE EXPROPRIETERS FOR PUBLIC INTEREST

Section one : Competent organs to carry out expropriation

Article 8 : The organs which initiate expropriation proposals are as follows :

1° the Executive Committee at the District level, in case such activities concern one District ;

2° the Executive Committee at the level of the City of Kigali, in case such activities concern more than one District in the boundaries of the City of Kigali ;

3° the relevant Ministry, in cases where such planned activities concern more than one District or if it is an activity at the national level, notwithstanding provisions referred to in point 2° of this article.

Article 9 : The evaluation organs which approve that expropriation proposals fulfill the requirements are :

1° the Land Commission at the District level

2° the Land Commission at the national level where the proposal concerns more than one District or a proposal at the national level, notwithstanding provisions referred to in point 2° of this article.

Article 10 : The organs approving for expropriation of persons are :

1° At the District level, expropriation shall be carried out by the District Council after considering the decision of the Land Commission at the District level ;

2° At the level of the City of Kigali, where the proposal concerns more than one District within the boundaries of the City of Kigali, expropriation shall be carried out by the Council of the City of Kigali after considering the decision of the Land Commission at the level of the City of Kigali ;

3° At the level of more than one District, expropriation shall be carried through an Order of the Minister in charge of land after considering the recommendation of the national Land Commission notwithstanding provisions of point 2 of this article ; District

4° At the national level, it shall be carried out through an Order of the Prime Minister.
Section 2 : Procedures

Article 11: The application for expropriation shall contain the following information:

1° the description of the project proposal;

2° the indication that the project is aimed at the public interest;

3° the land master plan on which the project shall be carried out;

4° the document indicating that the project does not degrade the environment;

5° proof confirming the availability of the value of just compensation;

6° the explanatory note to verify that such a land or place suits the project;

7° The minutes indicating that the concerned population was sensitized about the importance of the project.

The master plan mentioned in point 3° of this article shall indicate the following:

1° the plan or map indicating the land demarcations on which such activities shall be carried out;

2° the description of the items on that land;

3° the list indicating beneficiaries of that land;

4° the list of beneficiaries of activities on that land.

Article 12: The relevant Land Commission, after receiving the request for expropriation, shall examine the basis of that project proposal. In case it approves the basis of the project proposal, the relevant Land Commission shall request, in writing, the District authorities concerned to convene a consultative meeting of the population where the land is located, at least within a period of thirty (30) days after receipt of the application for expropriation, and indicating the date, time and the venue where the meeting is to be held.

The relevant Land Commission shall take a decision within a period of at least fifteen (15) days after the consultative meeting with the population.

Article 13: Subsequent to consultative meeting with the population, the relevant Land Commission shall again meet the population and declare in public the final decision taken on the project proposal. The decision the relevant Land Commission takes shall be posted in an open place at the City of Kigali, District, Sector and of the Cell offices where the land is located, and it shall also be announced on Radio Rwanda and through State newspapers in order for the concerned person or institution to be informed. If necessary, it may also be communicated through any other possible media. This shall be done in a period of at least thirty (30) days after taking the decision.
Article 14: A member of the relevant Land Commission is prohibited from being among the members who take decisions in case the meeting is examining issues concerning him or her, those of his or her parents, relatives up to the second degree or in laws up to the second degree or any issue in which he or she is interested. The concerned person shall inform the commission and shall disqualify him or herself at any time the project proposal of the expropriation is still under examination. However, he or she shall have rights to participate in consultative meetings like any other concerned members of the population.

Article 15: In case it is clear that several or all members of the Land Commission have an interest in the land in which the activities of public interest are intended to be carried out, the project proposal shall be examined by the Land Commission at a higher level. In case it concerns the Land Commission at the national level, the project proposal shall be examined by the Ministry in charge of land.

Article 16: Subsequent to declaration of the final decision relating to expropriation, the relevant commission shall publish and post an actual list of beneficiaries of the activities carried out on land at the District, Sector and Cell level where the land is located to enable the concerned population to be informed. The procedures to be respected in expropriation shall not exceed a period of four 4) months from the day organs mentioned in article 10 of this law approve it.

Section 3: Rights of the expropriated persons and the expropriators

Article 17: A person to be expropriated shall be informed of the beginning of the process of the land survey and the inventory of the properties thereon. Land survey and inventory activities shall be carried out in presence of the beneficiary or representatives as well the representatives of the local administrative entities. The owner of the land is not allowed to carry out any activities after the land survey and the inventory of the properties thereon and coming to terms with the beneficiaries. In case he or she carries out any activities, they shall not be valued in the process of expropriation.

Article 18: In case the owner of the activity who was informed through procedures provided by this law does not appear, a report shall be made and signed by the representatives of the local administrative entities as well as those who conducted the survey and the inventory.

Article 18: The person who owns land intended for public interest shall provide evidence to confirm that he or she possesses rights on that land and presents a certificate of acknowledgement of the members of his or her family. Among the evidence to confirm ownership of the land, there shall be included:
1° written evidence indicating that he or she purchased the land, received it as a donation or as a legacy or a successor;
2° a document or a statement of local administrative entities indicating rights of the expropriated person on the land;
3° a document or testimony of the neighbors confirming the ownership of the land;
4° a Court certificate.
The person who owns land intended for public interest shall also indicate a certificate of his or her spouse if legally married in accordance with community of property or limited community of acquests.

The person who occupied reserved land after the publication of relevant laws shall not be entitled to any compensation.

Article 19: The expropriated person has the right to appeal against any decision taken by the relevant Land Commission to the immediate superior Land Commission in thirty (30) days after the decision is taken. In case of failure, the case shall be referred to a competent Court. The points to be considered in the appeal are:
1° an indication that the project does not actually aim at public interest;
2° an indication that the approved land, its location and its boundaries do not actually suit that project;
3° an indication that the approved land for the operations of the project does not respect Organic Law n° 04/2005 of April 8, 2005 determining the modalities of protection, conservation and promotion of the environment in Rwanda and the Law n°08/2005 of 14/07/2005 determining the use and management of land in Rwanda;
4° an indication that all the beneficiaries of such a land are not on the list of persons to be expropriated.

Article 20: The person who applies for expropriation has rights to appeal against the decision taken by the relevant land commission at an immediate superior land commission in thirty (30) days after the decision is taken. In case of failure, the case shall be referred to a competent court. The points to be considered in the appeal are: 1° an indication that the project actually aims at public interest, 2° an indication that such an approved land, its location and its boundaries actually suit the planned project, 3° an indication that such an approved land on which the project shall operate respects Organic Law n° 04/2005 of April 8, 2005 determining the modalities of protecting, conservation and promotion of the environment in Rwanda and Organic Law n° 08/2005 of July 14, 2005 determining the use and management of land in Rwanda, 4° an indication that all the beneficiaries of that land are on the list of those to be expropriated.

CHAPTER IV: VALUATION OF LAND AND PROPERTY THEREON AND AWARD OF JUST COMPENSATION

Section one: Valuation of land and property thereon

Article 21: The properties to be valued for just compensation due to expropriation are:
1° land;
2° activities that were carried out on the land including different crops, forests, any buildings or any other activity aimed at efficient use of land or its productivity.

Article 22: Without prejudice to other laws, the value of land and the activities thereon that belong to the person expropriated shall be calculated considering their size, nature and location and considering the prevailing market prices.

Section 2: Awarding just compensation
Article 23: Through agreement between the person to expropriate and the one to be expropriated, the just compensation may be monetary or an alternative land and a building equivalent to the determination of just monetary compensation. In case the determination of just compensation exceeds in value the alternative land given to the person expropriated, the difference shall be paid to the expropriated person. In order for the expropriation to be implemented, the just compensation shall be awarded to the expropriated person before he or she relocates.

Article 24: The just compensation approved by the Land Commission shall be paid within a period not exceeding one hundred and twenty (120) days from the day of approval of the just compensation. In case it exceeds that period, the expropriation shall be invalid except in case the person to expropriate and the one to be expropriated come to terms. Subsequent to receiving just compensation, the expropriated person has a period that does not exceed ninety (90) days, in order to relocate. At any time the person to be expropriated is still waiting for payment, he or she has right to cultivate crops within a period not exceeding ninety days (90) and harvest the crops still on his or her land.

Article 25: The amount for just compensation shall be deposited into the account of the person to be expropriated in a bank or any financial institution recognized by law and of his or her own choice in the country. In case the just compensation is to be paid to more than one person to be expropriated, if they share the rights on that property as a family or as a legally married spouse, the amount shall be deposited on a joint account such that any person wishing to withdraw money from the account shall receive written permission from those with whom they share the account. In case the property of the person to be expropriated is mortgaged to the bank as a security, the amount for just compensation shall be deposited on the account which he or she agrees with the bank. Notwithstanding provisions of paragraph 2 of this article, if the person to be expropriated does not provide the account on which the determined amount shall be deposited in a period that does not exceed thirty (30) days from the day he or she is informed, the amount shall be deposited at the account of the District where the property is located from where he or she shall withdraw it.

Article 26: In case the person expropriated is not satisfied with the value determined for the land and the activities carried out thereon, the Land Commission at the level on which the issue is, shall request him or her in writing, to hire a legally accepted expert or the survey office as professionals in value verification for which he or she shall pay, in order to provide an alternative value. In case the alternative value is rejected by the commission that requested for it, the expropriated person shall appeal to the Land Commission at the immediate superior level within a period not exceeding fifteen (15) working days which shall also provide a decision in a period not exceeding thirty (30) days from the day of receipt of the appeal.

In case the expropriated person is not satisfied with the decision of the Land Commission appealed to, he or she shall file the case with a competent Court. The value approved by the Land Commission at the immediate superior level shall be given to the expropriated person in order not to stop the activities while waiting for the court decision.
Article 27: Without prejudice to penalties provided by the Penal Code, any person awarded just compensation provided by this law, and who requests for valuation and paid more than once, and deliberately ignores prior compensation, shall be punished by an imprisonment of six (6) months to two (2) years and a fine of one hundred thousand (100,000) to five million (5,000,000) Rwandan francs or one of the two penalties. In case it is evident that the expropriated person was compensated more than once, he or she shall refund the just compensation awarded and shall be punished in accordance with legal provisions stipulated in the Penal Code.

Article 28: In case the expropriator does not pay the agreed just compensation on time as provided by article 24, he or she shall pay an annual interest on delays of 5% in addition to the just compensation agreed or awarded to the expropriated person. Such a period shall not exceed two (2) years. In case the expropriator retracts after the period mentioned in article 24 of this law, it does not exonerate the expropriator from paying the interest on delays mentioned in this article to the person to be expropriated. In case the person to be expropriated does not relocate within the period provided in this law subsequent to his or her compensation, he or she shall be forcefully relocated by competent authorities. In case provisions of this article are realised through Court procedures, the losing party shall pay the court fees determined by the court.

CHAPTER V: TRANSITIONAL AND FINAL PROVISIONS

Article 29: Notwithstanding provisions of article 10 of this law, in case the Land Commissions at the City of Kigali and District levels are not yet established, examination and approval of project proposals of expropriation shall be carried out by the Council of the City of Kigali or of the District in which the land is located. In case the Land Commission at the national level is not yet established, examination and approval of the project proposals of expropriation shall be carried out by the Ministry in charge of lands.

Article 30: Decree Law n° 21/79 of July 23, 1979 relating to expropriation as confirmed by Law n° 01/82 of 26/01/1982 and other previous legal provisions contrary to this law are abrogated.

Article 31: This law shall come into force on the day of its publication in the Official Gazette of the Republic of Rwanda.

Kigali, on 19/04/2007
Chapter 1. GENERAL PROVISIONS

Article: 1 The purpose of this Law

This Law provides for the establishment, organization and functioning of cooperative organizations.

Article: 2 Cooperative Values

The cooperative organizations referred to in this Law are associations of natural or legal persons operating together in activities aiming at promoting their members in accordance with principles of mutual responsibility and self help, democracy, equity and equal rights to its assets.

In all their activities, cooperative organizations shall practice honesty, openness and common interests of members.

The main activities of cooperative organizations shall be compatible with the cooperative values as mentioned in paragraphs one and two of this Article.

In particular, cooperative organizations shall respond to the needs of their members who shall be entitled to equal participation and share in the capital establishment in conformity with cooperative principles.

Article: 3 Cooperative Principles

Cooperative organizations shall be guided by the following cooperative principles:

1° voluntary membership and openness;

2° democratic participation, one member one vote;

3° participation of each member in the cooperative’s economic growth;

4° autonomy and independence of each cooperative organization;

5° education, training and information of the members;

6° ensuring cooperation among Cooperative Organizations;

7° concern for development of the community where the Cooperative Organization is located.

Article: 4 Definition

A cooperative organization is a body corporate with:
1° legal personality;
2° power to sue and be sued;
3° power to enter into contracts;
4° capacity to hold movable and immovable properties of every description;
5° ability to do all things necessary for the purpose of and in accordance with its by laws.

A cooperative organization may have a special seal

Article: 5 Types of Cooperatives
Cooperative organizations may carry out activities in all sectors of economic and social life, and are divided into the following categories:

1° production cooperative organizations;
2° commercial and consumer cooperative organizations;
3° services cooperative organizations;
4° multipurpose cooperative organizations.

Article: 6 Cooperative movement structure
Cooperative organizations may constitute among themselves Unions, Federations and Confederation for the better management of their property and the defense of their common interests.

A cooperative organization may develop relations with another cooperative organization at national and international levels.

Any cooperative, union, federation and confederation of cooperative organizations shall abide by the provisions of this Law.

Article: 7 Protection of the name “Cooperative”
In accordance with this Law and in the interest of the cooperative organizations, the name “cooperative” is hereby protected and shall only be applied to a cooperative with a legal personality.

No entity other than a cooperative organization with legal personality shall use the name “cooperative”.

A savings and credit Cooperative Organization which decides, in its General Assembly, to deal with people other than its own members, by receiving and keeping their deposits or granting them loans or credits, shall not be referred to as “a cooperative organization”. It shall respect other laws relevant to its
Article: 8 Specific requirements to savings and credit cooperatives
A savings and credit cooperative organization shall have an obligation in any case to meet financial requirements and prudential standards set by the national monetary authority.

Chapter 2. ESTABLISHMENT AND ORGANIZATION OF COOPERATIVE ORGANIZATIONS

Section 1. Establishment of Cooperative Organizations

Article: 9 Membership of a Cooperative
Every person meeting the requirements specified in this Law and other laws, may become a member of a cooperative organization.

Article: 10 Number required to establish a primary cooperative organization.
A minimum number required to establish a primary cooperative organization shall be seven (7) persons. They shall not belong to the same family.

No person shall be a member of more than one cooperative organization with similar activities operating in the same area.

Article: 11 Role of the Constituent Assembly
The Constituent Assembly shall have the functions of the General Assembly of a Cooperative Organization. It shall notably prepare documents to be attached in applying for legal registration and take all the necessary decisions for the commencement of the first fiscal year.

Section 2. Umbrella cooperative organizations

Sub-section 1. Cooperative Unions
Article: 12 Cooperative Union

Three (3) cooperative organizations or more may join to form a cooperative Union. Such a cooperative organization shall be referred to as a secondary cooperative organization. Only primary cooperative organizations may be members of a cooperative union. No primary cooperative organization shall be a member of two (2) cooperative Unions at the same time.

Article: 13 Representation of cooperatives in unions

Cooperative union by-laws shall determine how primary cooperatives are represented in the union as well establishing the mode of voting in a General Assembly meetings of the union.

Article: 14 Cooperative Union’s activities

A cooperative union may carry out economic activities and complementary service to those of its affiliates.

Sub-section 2. Cooperative Federations and Confederation

Article: 15 Federations of cooperatives

Three (3) cooperative unions or more may join to form a cooperative Federation at national level. Such a cooperative federation shall be referred to as a tertiary cooperative organization.

Article: 16 Confederation of Cooperatives

Three (3) cooperative federations or more may join to form a cooperative Confederation at the national level referred to as cooperative confederation at the supreme level.

Without prejudice to the provisions of Articles 12, 13, 14, 15 and 16 of this Law, cooperative Federations may accept to affiliate as their members, primary Cooperative Organizations that, on their own, find it impossible to form a cooperative Union.
Article: 18  Activities of a Federation
A cooperative federation shall carry out economic and service activities only in the framework of supporting the initiatives of its member unions. The Federation’s activities shall pose no hindrance but serve as complementary effort to those of the cooperative unions or member primary cooperative organizations.

Sub-section 3. Role of a Cooperative Union, Federation and Confederation

Article: 19  Functions of a Cooperative Union, Federation and Confederation
A cooperative Union, Federation or a Confederation in its respective capacity shall have a role in the following operations: 1° providing any professional assistance during the establishment of Cooperative Organizations;

2° providing professional assistance in the administration and management of Cooperative Organizations members;

3° setting up a guarantee fund to be used by cooperative affiliated members in order to acquire funds to carry out economic activities;

4° providing any information likely to improve the performance of their affiliated member cooperative organizations;

5° assisting in designing procedures for education and training for member cooperative organizations, members of the board of directors and employees of such cooperative organizations;

6° protecting the interests of their affiliated members before public authorities and other private Organizations;

7° promoting cooperation and networking of Cooperative Organizations in accordance with the provisions of this Law and by-laws as well as the cooperative principles;

8° encouraging and enhancing awareness campaigns on the cooperative objective and the Laws that govern Cooperative Organizations and the national policy in promoting Cooperative Organizations;

9° any other activities which may help in promoting Cooperative Organizations.

Section 3. Application for legal personality for Cooperative Organizations
Sub-section 1. Required documents

Article: 20 Required documents
A cooperative organization, which applies for legal personality, shall submit an application letter to the organ responsible for the development of cooperative organizations, accompanied by the following documents:

1° four (4) copies of the by-laws of the Cooperative Organization bearing the date, signatures or finger prints of founder members. However, copies of the by laws of the Cooperative Organizations operating at the District or national level shall be certified by an authorized notary;

2° four (4) copies of the minutes of the Constituent General Assembly meeting of the Cooperative Organization bearing the signatures or finger prints of all founder members;

3° four (4) copies of the list of the members of the Board of Directors and of the Supervisory Committee indicating their names, addresses, functions and the signature of each person;

4° a specimen of the signature or fingerprints of persons authorized to represent their Cooperative Organization before the law;

5° a certificate issued by the District authorities in which the cooperative organization has its headquarters.

Sub-section 2. Role of Local Authorities

1. At Sector level

Article: 21 The Role of the Sector
Those willing to form a Cooperative Organization shall submit an application to the Executive Secretary of the Sector who shall register it in the appropriate book.

Before submitting the application for the legal personality, the Executive Secretary shall verify whether the members really exist, how many they are, if the initiative is theirs and the location of their operations. The application shall be submitted to the District Mayor in a period not exceeding seven (7) working days.
2. At District level

Article: 22  Role of District
When the District Mayor finds that the Cooperative Organization meets the legal requirements for application of the legal personality, he or she shall submit to the Organ responsible for the development of cooperative organizations the application within fifteen (15) working days from the date of receipt of such application. Such an application shall be submitted together with a recommendation and a provisional.

Where the Authority in charge of the development of Cooperative Organizations is satisfied that the applicant qualifies for legal registration, it shall immediately issue a legal certificate of registration to the applying Cooperative Organization as a proof of the legal registration. The legal certificate of registration shall be submitted to applying Cooperative Organization through the Mayor of the District in which the Cooperative Organization has its registered office.

Sub-section 3. Role of the Organ responsible for development of Cooperative Organizations

Article: 23  Reception and analysis application for legal registration.
The Organ responsible for the development of Cooperative Organizations shall, immediately after receiving the application for legal personality, issue a signed certificate of acknowledgment indicating the date of receipt.

The Organ responsible for the development of Cooperative Organizations shall, within fifteen (15) working days from the receipt of the dossier, analyze, examine the registration documents to make sure that the Cooperative Organization meets the legal requirements for registration.

Where the Cooperative Organization applying for legal personality meets the legal requirements, it shall immediately give the cooperative organization the certificate of registration, which acts as an indication that the cooperative organisation has been granted legal personality. That certificate shall be forwarded to that cooperative organisation through the Mayor of the District in which the district has a seat.

Article: 24  Application not meeting the legal registration requirements
Where the file does not meet the legal requirements, the organ in charge of development of the Cooperative Organization shall, within fifteen working (15) days, from the date of receipt of the registration file forward it to the mayor of the district. It shall indicate the documents that are missing in the file in order for the cooperative to complete the file.

Where the organ in charge of development of the cooperative organisation does not take a decision within fifteen (15) working days from the date of reception of the application for the legal personality,
the application shall be considered as approved. The organ in charge of the development of cooperative organisations shall immediately issue the registration certificate.

**Article: 25**

**Nature of documents to be completed and requirements to obtain legal registration.**

The format of documents to be completed the requirements to obtain legal registration and the mode of the procedure, shall be determined by the instructions of the Minister in charge of cooperatives.

A Cooperative Organization that has fully complied with all the provisions of legal registration shall become a body corporate.

A Cooperative Organization that has been granted legal personality shall, within thirty (30) days from obtaining legal personality, submit all required documents to the Official Gazette Office for the publication of the registration certificate in the Official Gazette of the Republic of Rwanda.

**Article: 26**

**Legal registration fees**

Legal registration fees shall be determined by an Order of the Minister in charge of cooperative organizations.

**Article: 27**

**Register for recorded cooperatives**

The Organ responsible for the development of Cooperative Organizations shall keep a register in which Cooperative Organizations that are granted legal personality are recorded.

**Section 4. By-laws of Cooperative Organizations**

**Article: 28**

**Provisions to be included in the Cooperative’s by-laws**

Without prejudice to provisions of this Law, each Cooperative Organization shall include the following provisions in its by-laws.

1° the name of the Cooperative Organization which shall not be similar to any other name of another Cooperative Organization operating in Rwanda and which was granted legal personality. The name shall include the word « Cooperative”

2° the type of social and economic activities to be undertaken;

3° the registered office and its full address;
4° the corporate objective or its purpose;
5° requirements for the members’ share subscription;
6° the value and number of nominal share per member;
7° requirements for each nominal share value;
8° members’ rights and obligations;
9° criteria and conditions for members’ withdrawal or expulsion;
10° modalities for keeping books and other records;
11° modalities for convening meetings of the organs of the cooperative organization and of regional meetings,
12° composition of the Board of Directors and criteria for the eligibility of its members;
13° composition of the Supervisory Committee and criteria for the eligibility of its members;
14° conditions for voluntary dissolution or liquidation;
15° procedures for amending the by-laws;
16° criteria by which the Board of Directors may authorize the transfer of nominal shares;
17° the modalities for management and use of the equipment of the cooperative organization;
18° any other relevant business that may facilitate the achievement of the objectives of the cooperative organization.

The by-laws of the cooperative organization with legal personality shall be respected by such a cooperative organization and its members.

Chapter 3. BEING A MEMBER OR LOSING MEMBERSHIP OF A COOPERATIVE ORGANIZATION

Section 1. Requirements for membership or resignation from the cooperative organization

Article: 29 Conditions to become a Cooperative Member
In order for a person to be a member of a cooperative organization, he or she shall: 1° be at least sixteen
(16) years old or be an emancipated child;

2° not participate indirectly or directly in any activity competing with the Cooperative Organization for which he or she is a member;

3° have subscribed and paid up his or her shares in accordance with the by-laws in order to constitute the share capital;

4° be committed to work thoroughly with the Cooperative Organization in all or part of the operations as provided for in its by-laws;

5° apply for it and be admitted by the General Assembly.

No person shall be allowed to be a member of a Cooperative Organization in case his or her shares to the share capital and his or her activities in the Cooperative Organization are different from those of other members.

**Article: 30  Termination of Membership**
The membership in a primary Cooperative Organization shall be terminated by with death, resignation or expulsion of the member.

In a cooperative Union, Federation or Confederation, membership is terminated by withdrawal, dissolution or liquidation of a cooperative organization member.

**Article: 31  Right to withdraw from a cooperative organization**
Any member of a cooperative organization has the right to withdraw at any time from a cooperative organization by addressing a written notice to the Board of Directors who shall communicate it to the General Assembly.

**Article: 32  Expulsion from a Cooperative Organization**
At the request of one of the members, any member may be dismissed from the cooperative organization if it is evident that:

1° he or she does not take care of its interests;

2° he or she does not respect his/her obligations;

3° he or she does not respect the by-laws of the Cooperative Organization;

4° he or she does not abide by the decisions of the General Assembly or those of the Board of Directors.

A decision to expel a member shall be taken by the General Assembly with a majority of three quarters (¾) of the members present and voting after the concerned member has presented his/her defence.

However, the Board of Directors may suspend a member of a Cooperative Organization pending the
decision of the General Assembly. The final decision regarding such a suspension shall be taken by the next General Assembly meeting.

The suspended member shall have no right to attend the General Assembly meetings.

The minutes of the General Assembly meeting in which the decision to suspend or dismiss a member is taken shall include all the justifications presented for the decision to be taken. The person concerned shall be notified of the decision taken.

**Article: 33**

**Conditions for refunding of share(s) or money invested in cooperative organization**

The conditions for refunding of share(s) or money invested by a member who resigns or expelled shall be defined in the cooperative organization’s by-laws. Such refund shall be made within a period of twelve (12) months after the determination of the true value of the member’s share.

The refund of shares or invested money shall be effective after deduction of the loss and debts a member owes to the cooperative organization.

A cooperative member shall be refunded his or her deposits immediately after the decision to expel him or her has been taken and in accordance with the contract signed between him/her and the Cooperative Organization.

**Section 2. Share Capital of the Cooperative Organization and Shares**

**Article: 34**

**Share Capital**

The share capital of a cooperative organization is constituted of shares subscribed and paid up by each member.

The by-laws of a cooperative organization shall state the amount of Share Capital which shall be determined by the General Assembly in accordance with the objective of the cooperative organization.

**Article: 35**

**Increasing the Share Capital**

The Share Capital of a Cooperative Organization may be increased by new shares by the decision of the General Assembly.

The share capital may be reduced due to bankruptcy, reimbursement of loans contracted by the cooperative organization or due to setting off of any debt owed by the members. Where the cooperative organization has fallen bankrupt, a member shall reimburse up to the value of his share in the cooperative organization.
Article: 36  Characteristics of a Share  
In a cooperative organization, a member shall have equal contribution to shares capital. The share shall be determined by the General Assembly meeting.

Member’s share shall be indivisible, non negotiable and shall not be pledged as security. However, it may be transferable or sold with the approval of the General Assembly.

The by-laws of every cooperative organization shall state the nominal value of each share and the terms of its subscription and payment which shall be approved by the General Assembly.

The value of a share shall be certified by a receipt issued for the sum paid, the documents attesting to the value of the share contribution and the inscription in the members’ register.

The share shall be nominal. It shall be registered in an ad hoc register kept at the head office of the cooperative organization. The share may be paid in kind or in cash. Every member shall have the right to inspect the register of shares at the Head office of the cooperative organization. The member’s share is proven by a certificate issued thereof.

Article: 37  Deprivation of rights for a cooperative member.  
No member of a cooperative organization shall exercise any of the rights of a member unless he or she has paid up his/her share to the cooperative organization or has shown that he/she has got the right to become a member according to the provisions of this Law.

Article: 38  Equality of Members  
Each member of a primary Cooperative Organization shall have only one vote. In a cooperative union, federation and in a Confederation, members of a cooperative organisation may have many votes in proportion to the number of shares the cooperative organisations hold in such a union, federation or in a confederation.

Article: 39  Cooperative Organization first charge  
A cooperative organization shall have a first charge upon the share, dividend, bonus or interest on the share of a withdrawing or expelled member to cover any debts such a member may have with the cooperative organization.

A cooperative organization may seize any sum credited or payable to a member or past member due to a debt owed by the member to his/her cooperative organization, except the deposits of such a member.

In case the sum credited or payable to the cooperative organization in conformity with paragraphs One and 2 of the present Article, can not cover all the sum due, such member shall be given a period of time not exceeding one year to have paid his/her debt. This period shall run from the date the decision of
expulsion was taken.

Article: 40 Protection of Share
A member of a Cooperative Organization shall not pledge his/her share as surety for his or her debts.

Such a share shall not be liable to seizure or sale by court order owing to any debt or liability incurred by such a member. Where a member goes bankrupt, a trustee in bankruptcy under the law relating to bankruptcy shall not have any claim on his or her share or interest.

Section 3. Returns on Share and Deposits

Article: 41 Return on Share
A share shall earn a return in the form of interests by decision of the General Assembly. Such interest shall increase the member’s share and shall not exceed six percent (6 %).

Article: 42 Interest on deposits or investments in a Cooperative Organization
Member’s deposits or investments in a Cooperative Organization shall attract interest at the market rate and according to the contract between the Cooperative Organization and the depositor.

Section 4. Obligations of a Cooperative Organization

Article: 43 Register for members and shares
Every Cooperative Organization shall keep and maintain an up-to-date register of its members and a register of shares. Those books shall be prima facie evidence of the following particular data:

1° the identification of the member;

2° the date on which the member is registered;

3° the date on which the member ceased to be a member;

4° the name of a nominee appointed by a member;

5° the value of every member’s share.
Article: 44  Documents kept by a Cooperative Organization
Every Cooperative Organization shall keep at its Head Office the following documents:

1° a copy of this Law;
2° its registration certificate,
3° a copy of its own by-laws;
4° a register of shares of the members;
5° a register of charges created over Cooperative Organization property;
6° a copy of its approved accounts and balance sheet;
7° a complete list of its members.

The Cooperative Organization shall keep such books and all records and keep them open for inspection, at any time during working hours.

Any Cooperative Organization which does not respect provisions of paragraph One of this Article acts contrary to this Law and commits an offence and shall be punished in accordance with this Law.

Article: 45  Books of accounts
Every Cooperative Organization shall keep proper books of accounts which shall be prepared in accordance with the generally accepted international accounting standards and which shall be necessary to give a true and fair view of the state of the affairs of the Cooperative Organization and to explain all its transactions. The books of accounts shall be kept at the registered office of the Cooperative Organization.

Section 5. Rights and obligations of a member of a Cooperative Organization

Article: 46  Rights of a Cooperative Organization Member
Notwithstanding the provisions of article 29 of this law, a member of a Cooperative Organization shall have the right to:

1° attend General Assembly meetings, vote and to participate in decision making;
2° elect and be elected in the Cooperative organization's organs subject to this Law and the by-laws;
3° be informed of the economic and financial situation of the Cooperative Organization;

4° receive dividends and bonus;

5° enjoy services the cooperative organization avails;

6° participate in any activity of the cooperative organization;

7° receive all legitimate information relating to the cooperative organization including the by-laws, minutes of general assembly meetings and other meetings, reports, annual accounts and activity reports and other documents of the cooperative organization;

8° withdraw his or her membership from a cooperative organization;

9° be entitled to a share of the reserve fund at the time of withdrawing or expulsion from the cooperative organization or in case of merger, dissolution or transformation of a cooperative organization.

10° appoint a nominee;

11° carry out and suggest any other activity which enhances the performance of a cooperative organization.

**Article: 47 Obligations of a cooperative organization Member**
A member of a cooperative organization shall have the obligation to observe and comply with the organization’s by-laws and decisions taken by the relevant organs of the cooperative organization in accordance with this Law and other regulations.

**Chapter 4. ORGANS OF A COOPERATIVE ORGANIZATION AND THEIR POWERS**

**Article: 48 Organs of a cooperative organization**
A cooperative organization shall have the following organs: 1° the General Assembly; 2° the Board of Directors; 3° the Supervisory Committee; 4° other Cooperative Organization’s committees

**Section 1. The General Assembly and its Powers**

**Article: 49 Powers of the General Assembly**
Subject to this Law, the General Assembly of members shall be the supreme organ of the cooperative organization. It shall have full powers to examine and take decisions concerning the cooperative
organisation. Every member shall have the right to attend or to be represented in its meetings.

**Article: 50 First General Assembly meeting**
The first General Assembly meeting of a registered cooperative organization shall be convened within thirty (30) days upon receipt of the registration certificate of the Cooperative Organization from the relevant Authority.

**Article: 51 Convening the General Assembly meetings**
The General Assembly of a cooperative organization shall be convened for ordinary and extraordinary meetings.

The first ordinary meeting of the General Assembly shall be held in March and the second ordinary meeting in October of the same year.

The first ordinary meeting of the General Assembly shall be convened by the Board of Directors after receipt of an audit report and accounts of the cooperative organization.

**Article: 52 Convening an extraordinary General Assembly meeting**
The Board of Directors of a cooperative organization may convene an extraordinary General Assembly at any time. The written invitation shall be submitted to the members within fifteen (15) working days before the meeting is held.

**Article: 53 Constituent General Assembly of a cooperative Organization**
The Constituent General Assembly shall be the first General Assembly of the cooperative organization. It shall be held before the cooperative organisation acquires the legal personality. Some of the functions, include interalia: 1° register the promoter members of the cooperative organization; 2° adopt and approve the by-laws governing the cooperative organization; 3° elect from among its members the President, Vice President, the Treasurer and the Secretary of the Board of Directors; 4° appoint an internal auditor of the cooperative organisation; 5° elect members of other specific committees.

**Article: 54 Functions of the March General Assembly**
The March General Assembly meeting shall have the following functions: 1° to consider and to approve the agenda of the meeting; 2° to consider and to approve the minutes of the previous general meeting; 3° to elect members of the Supervisory Committee and members of other committees provided for by the internal regulations; 4° to dismiss members of the Board of Directors and members of other committees provided for in the by-laws; 5° to determine the rate of sitting allowances for the members of the Board of Directors and other committee members; 6° to consider the report of the Board of the Directors on the activities of the preceding year; 7° to consider the financial statement of the cooperative organization for the preceding year duly audited together with the very audit report; 8° to consider reports of the Board of Directors or other committees of the cooperative organization; 9° to consider and resolve the manner in which any available surplus and interest shall be distributed or invested in the activities of the Cooperative Organisation;
10° to consider and decide the maximum borrowing powers of the Cooperative Organization;
11° to decide on the management structure to facilitate efficient and cost effective delivery of services to the members;
12° to discuss any other general business of the organization of which notice has been given to the members in the manner prescribed in the by-laws of the organization;
13° to receive and consider the activity report of the Cooperative Organization for the preceding year;
14° to deliberate upon any other issue on the agenda of the meeting.

**Article: 55**

**Functions of the October General Assembly**
The October General Assembly Meeting shall have the following functions:
1° to consider and approve the agenda of the General Assembly meeting;
2° to consider and approve the minutes of the preceding general meeting;
3° to approve and adopt the business plan of the Cooperative Organization for the following year;
4° to adopt the Budget for the following year;
5° to admit new members;
6° to examine and to approve the accounts of the Organization;
7° to approve the estimates of income and expenditure for the next financial year;
8° to appoint the external auditor of the Cooperative Organisation and approve his or her remuneration where appropriate;
9° to fix the threshold investment, deposit and placement ceiling;
10° to deliberate on any other issue on the agenda of the meeting.

**Article: 56**

**Functions of the Extraordinary General Assembly**
An extraordinary General Assembly shall have the following functions: 1° to consider and approve the agenda of the General Assembly meeting;
2° to consider and approve the minutes of the preceding general meeting;
3° to amend the by-laws governing the cooperative organization or dissolve it;
4° to decide on joining other cooperative organizations to form union, federation and confederation, or on merger, break up, transformation, dissolution and/or liquidation of a Cooperative Organization;
5° to appoint liquidators of the cooperative organisation and its liquidation committee;
6° to consider any other business that may be conducted at a normal general meeting except the approval of the accounts.

**Article: 57**

**Initiative for convening a General Assembly Meeting**
The General Assembly meeting shall be convened by the Chairperson of the Board of Directors or, in his absence, by the Vice Chairperson, on their own initiative or at the request of three (3) members of the Board or one third (1/3) of the Cooperative Organization’s members.

Where the Board of Directors fails to comply with the provisions of paragraph One of this Article, for the general interest of a Cooperative Organization, the Minister in charge of cooperatives may convene an extraordinary general meeting. **Article 58: Modalities for convening the General Assembly Meeting**
Convening of a General Assembly meeting shall be in writing or by any other means agreed upon by members.

It shall be communicated to members at least fifteen (15) days before the date of the meeting.

The invitation to a General Assembly meeting shall specify the time, date, venue and agenda of the meeting.
Article:  58  Modalities for convening the General Assembly Meeting
Convening of a General Assembly meeting shall be in writing or by any other means agreed upon by members.

It shall be communicated to members at least fifteen (15) days before the date of the meeting.

The invitation to a General Assembly meeting shall specify the time, date, venue and agenda of the meeting.

Article:  59  Agenda of the General Assembly meeting
The agenda of the ordinary General Assembly meeting shall be prepared by the Board of Directors while the the agenda of the extra-ordinary General Assembly meeting shall be prepared by the organ which convened it or which requested it be convened. Only matters on the agenda of an extraordinary General Assembly shall be considered.

Article:  60  Chairperson of meetings of a General Assembly
The Chairperson or the Vice Chairperson of the Board shall chair the meeting of a General Assembly. In the absence of both, the Board of Directors shall elect from among itself one of the members to chair the meeting.

The Chairperson may, upon a decision taken by the General Assembly by a simple majority, adjourn the meeting and, on resumption, deliberations shall relate only to matters that were left unattended on the agenda.

Where the area of operation of a cooperative organization is large, the internal regulations and regulations may provide for the meeting of regional or sector-based assemblies.

Regional or sectional assemblies may deliberate and take decisions on issues included on the agenda of the General Assembly meeting.

At least one of the members of the Board of Directors and of the Supervisory Committee shall attend regional or sector-based meetings. Decisions and recommendations from such meetings shall be submitted to the General Assembly for approval.

The by-laws of a cooperative organization shall determine the organisation and the functions of such regions and sectors of the cooperative organisation.

Article:  61  Minutes of proceedings of a General Assembly meeting
Members present at a General Assembly meeting shall sign the attendance register or list.

The Secretary of the Cooperative Organization shall keep the minutes of proceedings of the General Assembly meeting in an appropriate book. The minutes shall be signed by the Secretary and by the Chairperson of the meeting. They shall be read to and approved by the members at the next General Assembly meeting.

Article:  62  Votes in General Assembly meetings
A member of a primary Cooperative Organization shall have one vote, which shall be exercised in person and not by proxy.
A member of a secondary or tertiary Cooperative organization shall have as many votes as may be provided for in the by-laws;

A simple majority of votes cast shall take a decision at General Assembly meeting.

Voting shall be conducted in accordance with the by-laws of a cooperative organization.

Quorum of the extraordinary General Assembly meetings shall be three fourths (3/4) of the registered members. Where a quorum is not attained, the meeting shall be postponed and convened in the following seven (7) days. The second meeting shall legitimately take decisions irrespective of the number of the members present.

Voting in special General Assembly meetings shall be either by a show of hands or by any other method approved by members.

Decisions concerning by-laws, joining other cooperative organizations to form Union, Federation and Confederation, shall require a majority of two thirds (2/3) of the registered members present and voting at the meeting.

However, the amendment of by-laws, merger, break-up, transformation and dissolution of cooperative organization shall be approved by a the extraordinary General Assembly meeting where three fourths (3/4) of the members are present and the decision shall require a majority of three fourths (3/4) of members present in the meeting.

Section 2. Board of Directors

Article: 63 Members of the Board of Directors
The Board of Directors shall be the management authority of the cooperative organization which implements the decisions and directives adopted by the General Assembly in accordance with the by-laws of the cooperative organization and this Law.

The Board of Directors shall comprise not less than five (5) and not more than nine (9) directors and elected in accordance with the by-laws and taking into account “gender” aspect where possible.

Article: 64 Functions of the Board of Directors
The Board of Directors of a Cooperative Organization shall have the following functions: 1° to direct the cooperative organization;
2° to prepare the General Assembly meeting;
3° to draft the internal regulations of the cooperative organization;
4° to examine and recommend the admission of new members;
5° to submit the activity report and the financial statement of the Cooperative Organization to the General Assembly;
6° to prepare the draft budget for the following year;
7° to initiate profitable projects for the cooperative organization;
8° to sign contracts in the name of the cooperative organization;
9° to manage the cooperative organization’s property;
10° to follow the financial situation and check if the finances of the cooperative organization are well managed;
11° to represent the cooperative organization before the law;
12° to hold meetings when necessary;
13° to keep all books and records of the cooperative organization including this Law, the list of members and the list of members of the board of directors and of the list of members of the supervisory committee;
14° to carry out all other necessary activities for the fulfilment of the objectives of the cooperative organization.

Article: 65  Term of office of the Board of Directors
The term of office of the Board of Directors shall be three (3) years. No member of the Board of Directors shall hold office of a Cooperative Organization for a continuous period of more than two terms of office.

Article: 66  Liabilities of the Board of Directors
Without prejudice to their penal responsibilities, the members of the Board of Directors shall exercise their duties with the prudence and diligence that characterise persons who are committed and diligent.

Board members shall individually or jointly be held liable for losses sustained, damage caused to the Cooperative Organization’s property and offences committed in the exercise of their duties.

Article: 67  Requirements for being a member of the Board of Directors
No person shall be eligible to serve as a member of the board of directors in case he or she: 1° is under 21 years of age; 2° is an employee renumerated in that cooperative organisation;
3° has been indefinitely sentenced to period of imprisonment equal to or exceeding six (6) months by a court, in the five (5) years prior to election due to fraud, dishonesty or financial malpractice, punishable by the Criminal Code or mentioned adversely in an inquiry or in an inspection report carried out under this Law;
4° participates directly or indirectly in any activity competing with that of the Cooperative Organization;
5° is undischarged bankrupt;
6° has not yet paid his/her share;
7° supplies goods for sale to the cooperative organization.

Article: 68  Convening and chairing the meeting of the Board of Directors
The Board of Directors shall meet once in three months and as often as the interest of the Cooperative Organization requires but not more than once a month. The quorum required shall be two thirds (2/3) of its members.

The meeting shall be convened by the Chairperson of the Cooperative Organization, or in his absence, by the Vice Chairperson. In the absence of both, the meeting shall be convened and chaired by any Director elected to act as President. It may also be convened at the request of three (3) Directors.

Where the Chairperson fails to convene a Board meeting, the absolute majority (51%) of the Board members may convene such meeting and take the necessary decisions as if the meeting had been convened by the President.
Decisions of the Board shall not be valid unless the quorum required by the law is attained.

Every decision shall be taken by consensus. When the consensus has not been reached, the decision shall be by a majority of votes. In case of equality of votes, the Chairperson shall have a casting vote. Minutes of every meeting of the Board of Directors shall be written and signed by the Chairperson and the Secretary of the meeting.

The by-laws of the Cooperative Organization may provide that all Directors sign the minutes. The minutes shall be approved in the next meeting.

**Article: 69 Attendance by the Manager to the Board of Directors meetings**
The manager of a Cooperative Organization shall attend the Board meetings without the right to vote. His/her opinion shall be advisory.

**Section 3. Supervisory Committee**

**Article: 70 Members of the Supervisory Committee**
The General Assembly shall elect a Supervisory Committee which shall consist of not less than two (2) members of the Organization and not more than five (5) members.

Members of the Supervisory Committee shall be elected for a term of two (2) years but they may be re-elected.

**Article: 71 Conditions to serve as a member of the Supervisory Committee**
No person shall be elected as a member of a Supervisory Committee if he or she:
1° is concerned with conditions set out in article 67 of this Law;
2° is a member of the Board of Directors;
3° is a member of the credit committee;
4° is a spouse of one of the Directors of the Board;
5° is a manager of or any of his or her close relatives.

**Article: 72 Duties and functions of the Supervisory Committee**
The duties and functions of the members of the supervisory Committee shall be: 1° to supervise the management of the cooperative organisation once in every three (3) months and at any time it is considered necessary;
2° to submit its report to the members and the members of the Board of Directors;
3° to supervise the functioning of the permanent internal auditor of the cooperative organisation;
4° to counter-check the respect and effectiveness and ensure the appropriateness of the guidelines set up by the General Assembly;
5° to support other organs of the cooperative organisation in disseminating the law governing cooperative organisation, by-laws, resolutions of the General Assembly or those of the board of directors and of other committees and the guidelines that govern cooperative organisations with a view to creating understanding and harmony in the cooperative organization;
6° to verify whether the Board of Directors and other organs of the cooperative organization implement all the decisions made in order to protect the general interests of the members of the cooperative organization.
Article: 73  Meeting of the Supervisory Committee
The Supervisory Committee shall meet at least once in three (3) months or when a request is made to the committee by at least one fifth (1/5) of the Cooperative Organization’s members.

At its first meeting, the Supervisory Committee shall elect the Chairperson and the Secretary among the members elected in accordance with the provisions of Article 71 of this Law.

Article: 74  Convening an extraordinary General Assembly meeting upon request by the supervisory committee
Without prejudice to the provisions of Article 57 of this Law, on completion of its auditing work and where it feels that a report of its findings has to be communicated very urgently to the General Assembly, the Supervisory Committee shall request the Board of Directors to convene an extraordinary General Assembly meeting to discuss it. Where the Board of Directors fails to convene an extraordinary General Assembly meeting within ten (10) days, the Supervisory Committee shall convene it in order to communicate to it specific issues arising in its report. In that case, the meeting shall be chaired by the Chairperson of the Supervisory Committee.

Article: 75  What the Supervisory committee shall avoid
When exercising its duties, the Supervisory Committee shall avoid acting in any way that may paralyze the work of the staff or the activities of the Cooperative Organization.

Section 4. Committees and employees of the Cooperative Organization

Article: 76  Specialized Committees
Where possible, every Cooperative Organization shall establish education and training, credit, finance, personnel committees and shall define their functions and duties in accordance with the by-laws.

Any member may be elected as a member of a committee. In any case, the Chairperson of the Board of Directors shall not be a member of the committee granting loans or credits to members of a Cooperative Organization.

Article: 77  Manager and support staff
The Board of Directors shall, subject to the approval of the General Assembly and in compliance with the labor Law, appoint a remunerated manager and other support staff of a cooperative organization.

An appointed manager shall not directly or indirectly participate in any activity that competes with that of the Cooperative Organization she/he is working for.

The remuneration and other benefits of the manager and other support staff shall be determined by the Board of Directors after the approval by the General Assembly.

Chapter 5. PROPERTY OF A COOPERATIVE ORGANIZATION
Section 1. Source of property of the Cooperative Organisation

Article: 78  Source of a Cooperative Organization’s property
The property of the Cooperative Organization shall consist of: 1° membership fee as may be decided by the General Assembly;
2° member shares;
3° any additional shares subscribed for and fully paid-up;
4° any net surplus undistributed to members meant to be deposited to the fund established in accordance with this Law including the cooperative organisation reserve fund;
5° reserve fund;
6° donations and other contributions legally obtained from public and private donors;
7° loans from members, other cooperative organizations, banks and public or private financial institutions;
8° deposits from members or other Cooperative Organizations;
9° any other contribution by members to the capital of the cooperative organization pursuant to the by-laws;
10° any premium arising on the issue of shares.

Article: 79  Members’ Deposits
A Cooperative Organization shall only receive deposits from its members. The by-laws and internal regulations of the cooperative organization shall determine the modalities of how such deposits shall be received.

A Cooperative Organization shall not give loans nor allow any credit to persons other than members of the cooperative organization.

The maximum amount of such loans or credit shall be determined by the by-laws and internal regulations of the Cooperative Organization.

The maximum loan to be borrowed by a cooperative organization and the procedure, shall be determined by its by-laws and internal regulations.

Article: 80  Investing and placement of cooperative organization’s funds
A cooperative organization may invest and deposit its funds only: 1° in savings banks;
2° in other cooperative organizations in which it has shares;
3° with any bank licensed under the banking Law;
4° in the stock of any statutory body established in Rwanda or in any other manner approved by a resolution at a General Assembly meeting of the cooperative organization.

The Board of Directors may not, in any case, invest the assets of a cooperative organization without express authority of the members.

When investing the assets of the cooperative organization, the Board of Directors shall consider the liquidity as well as the security aspects of the investments.

Article: 81  Balance sheet and audited accounts
In each financial year, the cooperative organization shall declare, a balance sheet and audited accounts of its annual transactions, and all dividends and bonuses due to its members.

At least once a year, after the closure of the financial year and according to the size of its assets and financial level, a cooperative organization is required to carry out an external audit by auditors appointed by the General Assembly.

The Minister in charge of cooperatives shall issue guiding instructions indicating categories of cooperative organizations concerned with such an audit.

**Article: 82**  
**Resolutions on bonus or dividend invested or saved in reserve Fund**

When bonuses or dividends are required for re-investment by the members for capital development or for the redemption of bonus certificates, the cooperative organization shall issue bonus or dividend certificates to the members.

**Article: 83**  
**Legal Reserve Fund**

Every cooperative organization, that derives a surplus from its economic transactions shall be required to set up a Legal Reserve Fund into which it shall save twenty per cent (20%) of the net surplus for each financial.

The funds saved by the cooperative organisation in the Legal Reserve Fund shall be invested in accordance with the provision of article 80 of this Law.

A cooperative organization shall set up special reserve fund into which shall be paid such part of its surplus as may be provided for in the by-laws or approved by the General Assembly.

A cooperative organization is not permitted to allocate dividends to its members from a Legal Reserve Fund.

The Legal Reserve Fund under this article shall be indivisible and no member shall be entitled to claim a specific share of it except when a cooperative organization has decided to issue bonus shares to its members or in case of withdrawal or expulsion of a member from the cooperative organization.

**Article: 84**  
**Utilization of the Legal Reserve Fund**

The Legal Reserve Fund may be applied for the following purposes and with the approval of the General Assembly:

1° development and growth of a cooperative organization;

2° payment of creditors upon dissolution of a Cooperative Organization;

3° any other purpose as the members may deem fit;

**Article: 85**  
**Permanent education and training fund**

Cooperative organizations shall establish a permanent education and training fund which may receive funds from the Government, private sector and other donors.

The Minister in charge of cooperative organisations, after consultation with the Authority in charge of cooperatives development and the Confederation of cooperatives shall set up regulations relating to the establishment and management of the fund.
Notwithstanding the provisions of articles 83 and 84 of this law, a cooperative organization may establish other reserve funds when deemed fit.

Article: 86 Distribution of the net surplus
The surplus of a cooperative organization shall be distributed in the following order of priority:
1° twenty per cent (20 %) to the Legal Reserve Fund of the cooperative organization;
2° interest on members’ deposits;
3° dividends and bonus to members in proportion to the business done by the member with the Cooperative Organization;
4° special reserve funds, if any;
5° incentives to the Board of Directors and to the employees;
6° any other matter not specified above in furtherance to the objective of the Cooperative Organization.

Section 2. Utilization of cooperative assets

Article: 87 Utilization of cooperative organization’s assets
The assets of the Cooperative Organization shall only be utilized for the benefit of the Cooperative Organization in accordance with the provisions of this Law and the by-laws.

Article: 88 Distribution of the Legal Reserve Fund
The Legal reserve Fund shall only be distributed when the General Assembly decides to split or transform a cooperative organization in accordance with this Law.

Section 3. Inquiry, inspection and surcharge

Article: 89 Inquiry
The organ in charge of the development of cooperative organizations may, on its own initiative, or on the request of other competent organs and with the assistance of its authorized personnel, hold an inquiry into formation, activities and financial affairs of the cooperative organization.

It shall also conduct such an inquiry on request of the Minister in charge of cooperative organisations, or on the application of the majority of the members of the Supervisory committee or of not less than one third (1/3) of the members of a cooperative organization.

All officers and members of a cooperative organisation have a legal obligation to present books and documents of a cooperative organisation and provide any information regarding the affairs of the cooperative organisation to an authorised person from the organ in charge of cooperative development upon request.

The organ in charge of the development of the cooperative organisations shall direct on the mode of implementation of the inquiry report recommendations.

The organ in charge of the development of the cooperatives organizations shall report the findings of the inquiry under paragraph one of this Article to the General Assembly of the cooperative organization and
shall give advice, if necessary, directives for the implementation of the inquiry report.

**Article: 90 Inspection**
The Supervisory Committee shall carry out regular inspections pursuant to Article 75 of this Law on activities and financial affairs of the cooperative organization.

But, without prejudice to the general provisions of paragraph one of this Article, the organ in charge of the development of the cooperative organizations may inspect or direct some persons authorized by him in writing to inspect the books of a cooperative organization.

The organ in charge of the development of the cooperative organizations shall communicate the results of such an inspection carried out to the General Assembly of the cooperative organization. It shall also inform the Minister in charge of cooperative organisations the findings of the inspection report.

**Article: 91 Costs arising from inquiry or inspection**
When an inquiry or inspection is done, the organ in charge of the development of the cooperative organizations may make an award apportioning all the costs, or part of the costs between the cooperative organization, the members or the creditors demanding an inquiry or inspection and the officers or former officers of the cooperative organization.

**Article: 92 Surcharges**
Where upon an inquiry under Article 89 or an inspection under Article 90 and 91 of this Law, it is found out that a members or former members of a cooperative organisation made undauthorized or unlawful payment or has by negligence or misconduct caused loss or failure to account or damage to the property of a cooperative organization, the General Assembly shall surcharge such person with the value of the loss or damage.

The Chairperson of the Board of Directors shall give notice in writing to every person surcharged under paragraph one of this article pecifying the amount and basis of the surcharge. Such surcharges shall be a debt recoverable immediately.

**Chapter 6. ACCOUNTS, RECORDS AND AUDIT**

**Section 1. Financial year books of accounts and records**

**Article: 93 Financial year**
The financial year of a cooperative organization shall begin on 1 January and end on 31 December the same year.

The first financial year of a Cooperative Organization shall begin from the date of its registration and shall end on 31 December of the same year.

**Article: 94 Books of accounts and records**
Every cooperative organization shall keep proper books of accounts and other books for the purpose of recording all transactions relating to its undertakings, funds, activities and properties.

A cooperative organization shall:

1° ensure that all payments are authorized and correctly made and that adequate control is maintained over its income, expenditure, assets and liabilities;

2° keep accounts and records in such manner that truly reflects the financial status of the Cooperative Organization so that an internal auditor or the external auditor can have access to them at any time;

3° ensure that all accounts in respect of the financial year are drawn up and audited in accordance with the provisions of this Law and a law cant have by-laws.

Subject to the directives as may be issued by the organ in charge of the development of the cooperative organizations, a cooperative organization shall open and maintain one or more accounts into which all money received shall be paid and all payments required to be made shall be paid.

The Internal regulations of a cooperative organization shall specify the maximum amount that may be kept by the cooperative organization in form of petty cash.

The Minister in charge of cooperatives shall inform cooperative organizations the appropriate books of accounts to be kept to meet national accounting standards.

Section 2. Auditing Books of Accounts

Article: 95  Requirements for an auditor
No person shall carry out an audit of any cooperative organization, or prepare an audit report if he or she: 1° has been one of the members of the board of directors of the cooperative organisation, a manager or an employee of the cooperative organization during the current year or the year preceding the current period;

2° is a spouse or an employee of one of the members of the Board of Directors or of an employee of the cooperative organization;

3° is a collector of the property of the cooperative organization;

4° owes a debt to the cooperative organization;

5° has been expelled as a member from the cooperative organization;

6° has any real interest in the Cooperative organization;

Article: 96  Powers and duties of an Auditor
At any time, an auditor shall have access to all books and bank accounts of a cooperative organization, all vouchers in support of them and all relevant papers and records in the possession or control of a cooperative organization.

An auditor may require from any member of the Board of Directors, any officer including the internal auditor, any employee or any member of a cooperative organization, such information and explanations as may be necessary for the purpose of the audit.

An auditor shall, while auditing the accounts of a cooperative organization, assess the financial status of the cooperative organization and the functioning of its decisions-making bodies; and the degree to which procedures set out in the by-laws or in any other relevant documents of the cooperative organization are
being complied with.

When the auditor finds any shortcoming in the books or in the procedures of the cooperative organization, he or she shall recommend remedial actions and measures as he/she deems fit.

The appointed auditor shall submit the audited accounts and balance sheet to the members in a General Assembly meeting convened by the Board of Directors three months after the end of the accounting period.

The auditor’s report shall include his opinion as to the management of the cooperative organisation: whether or not the cooperative organization is wisely managed, whether provisions of this Law are respected or not. He or she shall also include whether the books of accounts have been kept and maintained in accordance with internationally recognized standards.

The auditor shall have the right to participate in the meeting of a General Assembly and to be heard on any issue related to his or her mandate.

**Article: 97 Audit Report**

In case the Auditor completes his or her duties, he or she shall, in writing, submit the audit report to the Chairperson of the General Assembly and, at the same time reserve a copy to the organ in charge of the development of the cooperative organizations.

The audit report submitted shall include the following:

1° a statement as to whether the auditor had access to all accounts, books, records and relevant information required while carrying out the audit;

2° a statement as to whether, in the opinion of the auditor, proper accounting records have been kept and proper internal control systems maintained;

3° a statement as to whether the accounts prepared by the cooperative organization give a true and fair view of the affairs of the cooperative organization.

**Article: 98 Auditor’s Code of conduct**

In carrying out an audit, the auditor and any person assisting him or her shall:

1° exercise adigence and maintain the standards of the auditors’ profession;

2° keep confidential all information on internal matters of the cooperative organization obtained during the exercise of his functions;

3° be individually or solely liable for any loss sustained or damage caused to the Cooperative Organization by:

a) their negligence on duty;

b) failure to meet the standards of the profession;

c) wilfully disclosing confidential information obtained during the audit exercise.

It Shall be an offence an auditor or any person assisting him or her if information obtained during the audit for his/her personal advantage or for the advantage of a third person.

**Chapter 7. MERGER, BREAK-UP AND TRANSFORMATION OF**
Section 1. Merger of Cooperative Organizations

**Article: 99**  Merger
Any two (2) cooperative organizations or more may, by resolutions of their General Assembly meetings, resolve to merge as a single new cooperative organization, as provided under this law.

A copy of the resolution to merge in a new single cooperative organization shall be sent to all the members and creditors of each merging organization and to all other persons affected by the merger.

**Article: 100**  Right of not becoming a member of the Merged cooperative organisation
Subject to by-laws of the cooperative organisation, any member of the cooperative organizations may, by a written notice, inform the cooperative organisation in which he or she was a member his or her intention not to become a member of the new cooperative organization within one month after the General Assembly has taken the decision to merge it with another cooperative organization.

At that time, such a member shall be entitled, by this Law, to a refund of his or her share in the cooperative organization in which he or she was a member.

Any creditor of any of the merging cooperative organizations shall be entitled to a refund of any sum due to him or her if he or she makes a written request to this effect within one month before the date fixed for the merging.

**Article: 101**  Assets and liabilities of the merged cooperative organizations
The assets and liabilities of the merging cooperative organizations shall be taken over by the new merged Cooperative Organization.

**Article: 102**  Registration certificate for merged cooperative organizations
The certificate of legal personality of the cooperative organisation shall at the same time Merge nullify the legal personality of the merged cooperative organizations. The certificate shall be issued in conformity with provisions of this Law.

During the acquisition of legal personality by the new cooperative organization, every cooperative organisation which merged with others shall be obliged to return the registration certificates it had acquired within three (3) months after the decision to merge the cooperative organisation is taken.

Section 2. Break-up of cooperative organizations and related consequences

**Article: 103**  Breaking-up of cooperative organizations
An existing cooperative organization may resolve to break itself into two (2) or more new cooperative organizations. A General Assembly meeting resolution of the existing cooperative organization to that effect shall specify proposals for the division of the assets and liabilities among the new organizations, area of operations and members who will constitute each of the new organizations.

**Article: 104**  Cooperative Organization’s Break up information
A copy of the resolution of the existing cooperative organization to break into new cooperative
organizations shall be sent to all its members and creditors and to all other persons whose interest will be affected by the break up of the existing cooperative organization.

Article: 105 Withdrawing from a broken up Cooperative organisation and share refund

Notwithstanding the by-laws of a cooperative organisation, any member of a cooperative organization may, by notice in writing, within one month after the date the decision of breaking up is taken, declare his/her intention not to be part of one of the new cooperative organizations. Such a member shall be entitled to a refund of his or her share by the existing cooperative organization.

Article: 106 Protection of interests of partners of a broken up cooperative organization

At the time of issuing registration certificates to new Cooperative Organizations, the Organ in charge of the development of Cooperative Organizations shall check if the interests of the creditors, members and other interested parties are taken care of.

When it is satisfied that those interests are taken care of, the organ in charge of the development of cooperative organizations shall immediately issue registration certificates to new cooperative organizations and shall cancel the certificate of the existing organization according to the provisions of this Law.

Section 3. Transformation of a Cooperative Organisation

Article: 107 Transformation

A cooperative organization that intends to transform itself into an organization other than a cooperative organisation shall convene a General Assembly meeting where a three quarters (3/4) majority of registered members attending and voting shall resolve on the matter. The decision to transform a cooperative organization shall be communicated to the organ in charge of the development of the cooperative organizations within fifteen (15) days from the date it is taken.

A cooperative organization that transforms itself into a non-cooperative organization due to any reason, shall stop with immediate effect using the name “cooperative” and shall cause its new by-laws to be published in the Official Gazette. It shall be supervised under the relevant existing rules and regulations.

Article: 108 Cessation of membership to a new organization, refund of share and cancellation of certificate of registration of the transformed cooperative.

Notwithstanding the by-laws of a cooperative organization, any member of the cooperative organization may, by notice in writing addressed to his or her cooperative organization one month after the decision of transformation is taken by the General Assembly, declare his or her intention not to be a member of a new enterprise. Such a member shall, subject to this Law, be entitled to a refund of his/her share.

If it is satisfied that the interest of the creditors, members and other interested parties are taken care of, the organ in charge of the development of the cooperative organizations shall immediately nullify the legal personality of the cooperative organization that was transformed into a new enterprise.
Chapter 8. DISSOLUTION AND LIQUIDATION OF A COOPERATIVE

Section 1. Dissolution and procedures

Article: 109  Dissolution and reasons for dissolution
A cooperative organization may be dissolved and liquidated in phases provided for in the general statutes relating to liquidation, based on the decision of an extraordinary General Assembly, taken by a majority of three quarters (3/4) of the registered members of the cooperative organization who are eligible to vote and present at the meeting.

The cooperative organisation may also be dissolved and liquidated based on the decision of the Court of competent jurisdiction at the request of the organ in charge of the development of cooperative organizations.
A cooperative organization shall be dissolved in case of the following events:
1° expiration of the duration for which it had been created;
2° bankruptcy;
3° inactivity or dormancy for a period of at least two consecutive years;
4° membership falling below seven (7) persons;
5° reduction of fifty percent (50 %) of share capital and when members have decided not to increase it.
Death and bankruptcy of one of the cooperative organization members shall not cause the dissolution of a cooperative organization.

Article: 110  Notification of decision of a Cooperative’s dissolution process
Article 110: Notification of decision of a Cooperative’s dissolution process The decision of the General Assembly to dissolve a cooperative organization shall be notified to the organ in charge of the development of the cooperative organizations within fifteen (15) days from the date it is taken. It shall state the name of the liquidator and the liquidation committee members. The organ in charge of the development of the cooperative organizations shall immediately cancel the registration certificate of the dissolving cooperative organization.

The cooperative organization whose legal personality is cancelled shall cease to operate as a cooperative organisation with effect from the date of the cancellation.

Section 2. Liquidation

Article: 111  Appointment of a liquidator
The General Assembly of the dissolving cooperative organization shall appoint a liquidator. When a decision is made to dissolve and liquidate a cooperative organization, all the property of such organization shall vest in the liquidator from the date upon which the order of appointment of liquidator takes effect. When a cooperative organization has been dissolved by a Court of competent jurisdiction at the request of organ in charge of the development of the cooperative organizations, the Court and/or the organ in charge of the development of the cooperative organizations shall appoint a liquidator.
Article: 112 Requirements for a liquidator
No person shall be appointed as liquidator unless he or she is a qualified auditor or accountant.

Article: 113 Liquidator’s Powers and duties.
A liquidator shall, on appointment:
1° take immediate control of all the assets of the cooperative organization and all books, records and other documents pertaining to its business;
2° take such steps as he/she thinks necessary to prevent loss or damage to the assets.
Subject to the provisions of the law governing the liquidation of bankrupt commercial companies, the powers and duties of a liquidator shall include the following:
1° carry on the business of the organization as far as may be necessary for the proper liquidation of the affairs of the Cooperative Organization;
2° take possession of the books, documents and assets of the cooperative organization;
3° arrange for the distribution of the assets of the organization in a convenient manner when a scheme of distribution has been approved by the liquidation committee, the members and the organ in charge of the development of the Cooperative Organizations;
4° fix a deadline in the prescribed manner before which the creditors whose claims are not recorded in the books of the cooperative organization to forward their claims for admission or be excluded from the distribution list;
5° appoint an advocate, if necessary, subject to the approval of the organ in charge of the development of the cooperative organizations to assist him/her in the performance of his duties;
6° institute and defend suits and other legal proceedings by, or on behalf of the cooperative organization;
7° investigate all claims against the cooperative organization and decide on the priority arising between the claimants;
8° pay claims against the cooperative organization, including interests payable up to the date of liquidation of the cooperative organisation in accordance with respective priorities if any. The claims shall be satisfied in full or to such extent as the assets of the Cooperative Organization may permit;
9° refer disputes to the arbitration mechanism;
10° open and operate a liquidation account in conjunction with the liquidation committee;
11° call the General Assembly meetings of members or meetings of creditors as may be necessary for the proper conduct of the liquidation;
12° identify and verify whether any person is a member, former member or a representative of a deceased member of a cooperative organization;
13° determine the debts due by members to the Cooperative Organization and ensure their collection;
14° carry out any other functions as may be necessary for winding up the cooperative organization and distribution of its assets.
Where an appeal is made against an order to dissolve and liquidate a cooperative organization, all proceedings under the order shall be stayed until the appeal is determined. Meanwhile, the assets of the cooperative organization shall remain vested under the control of the liquidator.

Article: 114 Appeal against the decision of liquidator
A person aggrieved by a decision of the liquidator may appeal against the decision to a Court of competent jurisdiction within thirty (30) days from the day such decision is made by the liquidator.

Article: 115 Removal of a Liquidator
A Liquidator of a cooperative organisation shall be removed from office due to the following reasons:
1° accomplishing the assigned work as required;
2° professional misconduct;
3° incompetence, incapacity or negligence. Where a liquidator is removed without accomplishing the exercise, the appointing authority shall appoint a new liquidator immediately to complete the unfinished liquidation proceedings.

Article: 116 Remuneration of a liquidator
The remuneration of a liquidator shall be determined by the appointing authority after consultation with the liquidation committee.

Chapter 9. OFFENCES AND SANCTIONS

Article: 117 Offences and sanctions
Subject to more severe sanctions provided for in the Penal Code, offenses committed in Cooperative Organizations shall be punished by the sanctions provided for in this law.

Article: 118 Use of Cooperative’s name for own interests
Any person who, knowingly and willfully, uses, for his or her own benefit or interest, the name of the “Cooperative” for which he or she may be a member or not, shall be liable to an imprisonment of at least one month and not exceeding three (3) months and to a fine of fifty thousand francs (50,000 Frw) or any of the two.

Article: 119 Use of funds raised in the name of a cooperative organization for personal interests
Any official or member of the management or an employee of a cooperative organization who uses funds raised by him/her on behalf of the Organization for his or her benefit, shall be liable to an imprisonment not exceeding six (6) months and to a fine of five hundred thousand francs (500,000 Frw) or any of the two.

Article: 120 Pledge of a share
A member of a cooperative organization who pledges his/her share in the cooperative as surety for his or her debts shall be liable to an imprisonment of fifteen (15) days to one month and to a fine of fifty thousand francs (50,000 Frw) or any of the two.

Article: 121 Act of a member against his or her Cooperative Organization’s interests
A member who, knowingly and willfully, performs any act which requires the consent or approval of a competent Organ of the Cooperative Organization without first having obtained such consent or approval, such act being against the Cooperative Organization’s interests, shall be liable to an imprisonment not exceeding six (6) months and to a fine of a hundred thousand francs (100,000 Frw) or any of the two.

Article: 122 Acts prohibited to members of the Board of Directors and to the manager
A Board member or a manager of a cooperative organization who uses for his own benefit the assets of a cooperative organization or sells assets without the approval of the General Assembly, or who embezzles, misappropriates or one who commits fraud, shall be liable to an imprisonment of six (6) months to two (2) years and to a fine of five hundred thousand francs (500,000 Frw) or any of the two.
Article: 123  
**Violation of professional secrecy by the auditor**
An auditor or his or her assistant in auditing who uses information obtained during the audit for his or her personal interests or those of the third persons, shall be liable to an imprisonment of one (1) month to six (6) months and to a fine of three hundred thousand francs (300,000 Frw).

Article: 124  
**Concealing information concerning mismanagement of a cooperative organization**
An auditor or any person assisting him or her who, knowingly and deliberately, conceals the information concerning mismanagement of a cooperative organisation in complicity with and for the benefit of cooperative organization’s officials, shall be liable to an imprisonment of one to six (6) months and to a fine of five hundred thousand francs (500,000 Frw).

Article: 125  
**Refusing to convene a meeting, preventing other persons to convene the meeting, dividing members for his or her own interests**
A cooperative leader who fails to convene a cooperative meeting on time and without giving adequate reasons or prevents those with powers from convening it, divides members, seeks their support in his or her wrong doing or advises the members not to attend meetings intended to examine the management of the cooperative organisation’s property, especially with the intention of retaining power, embezzling or concealing any other person who embezzles the property of the cooperative organisation, shall be liable to an imprisonment of six (6) months to one year and to a fine of one hundred thousand (100,000 Frw) to five hundred thousand Francs (500,000 Frw).

Article: 126  
**Using for his or her own benefit a loan sought or donation obtained in the name of a Cooperative Organization.**
A cooperative manager who seeks a loan or gets a donation in the name of a cooperative organization and uses it for his own benefit without the General Assembly’s knowledge, shall be liable to an imprisonment of six months (6) months to one year and a fine of five hundred thousand francs (500,000 Frw) to one million francs (1,000,000 frw).

Article: 127  
**Failing to produce documents, books, records or property belonging to a Cooperative Organization**
Any person, in a cooperative organization who is requested to present documents, books or property of the cooperative organisation shall be liable to an imprisonment of one to six (6) months and to a fine of fifty thousand francs (50,000 Frw).

Article: 128  
**Making false report and fraudulent entry in registers and books of accounts**
Any person or member who:
1° willfully and deliberately makes a false report or furnishes false information concerning the business of a cooperative organization;
2° intentionally or otherwise fails to maintain accounts or maintains false accounts;
3° destroys, mutilates any book, paper or security of a cooperative organization;
4° alters, falsifies or mutilates any book, documents or other asset included in the property of the cooperative organisation, makes any false or fraudulent entry in any register, book of accounts or in other documents of the cooperative organization;
shall be liable to an imprisonment of six (6) to twelve (12) months and to a fine of five hundred thousand francs (500,000 Frw).
Chapter 10. SETTLEMENT OF DISPUTES

Article: 129 Dispute settlement Organs
Any disputes that may arise between the cooperative organization and its current or former members or the representatives of the deceased members or between the cooperative organization and its debtors or creditors, or those arising out of the application of the by-laws or the activities of a cooperative organization, which the Board of Directors or the General Assembly of the cooperative organisation cannot settle, shall be referred to arbitrators appointed by the concerned parties.

Each party shall appoint its own arbitrator. Both arbitrators shall agree on a third arbitrator who shall chair the team. The parties shall be informed on the nomination of the third arbitrator.

Article: 130 Decisions of the arbitrators, their communication and appeal against the decisions
The decisions of the arbitrators shall be communicated to the organ in charge of the development of the cooperative organizations.

A party which is not satisfied with the decision of the arbitrators may submit a complaint to the competent Court in a period not exceeding fifteen days (15) from the day it is notified to the concerned parties

Arbitrators’ decisions shall contain the costs of arbitration and expenses in their duties.

Chapter 11. MISCELLANEOUS AND FINAL PROVISIONS

Article: 131 Remuneration of the members of the Cooperative Organization’s Organs
Board members of a cooperative organization as well as those of the Supervisory Committee shall work in a voluntary capacity and shall not be entitled to any salary.

However, the internal regulations of a cooperative organization may provide for refunds of expenses incurred by the Board of Directors and the supervisory committee members while on official duty of the Cooperative Organization.

Article: 132 Requirements for a Cooperative Organization registered before the publication of this law
Any cooperative organization registered under the previous cooperative Law shall be given a one-year period, from the date of the publication of this Law in the Official Gazette of the Republic of Rwanda, to harmonize its by-laws with the present Law.

Article: 133 Abrogating provisions
The law n° 31/1988 of October 12, 1988 organizing cooperative organizations and all previous provisions contrary to this Law, are hereby abrogated.

Article: 134 Commencement
This Law shall come into force on the date of its publication in the Official Gazette of the Republic of Rwanda.
# Appendix G  Compensation Payments

**MININA**

**RECENSEMENT DES BIENS POUR EXPROPRIATION**

Marine Landing Site

KIVUWATT GAS-TO-POWER PROJECT

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## Liste de synthèse

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<th>Site</th>
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(2009)
### Annex 4
Official register of people expropriated from the power plant site (2007)

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NABAHANGAMBIERE Jean Marie
Approved by the Director of the Land Bureau [j.r.]
date: [Date in Kigali]
Annex 5  Compensation rates for crops, trees, etc, Karongi District
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## Patientes de l'Organisation ORTHOPÉDIQUE NATIONAL DE LA RÉPUBLIQUE DEMOCRATIQUE DU CONGO (PRODRACO)

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## Patients des hôpitaux de Kinshasa et Lubumbashi

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Minutes on Meeting with PAP’s.

**Date:** November 11th, 2010

**Time:** 3pm

**Place:** Kigali Health Institute Soccer Field – Kibuye

**Purpose:** Consultation with PAP’s to introduce concept of KivuWatt SCP and get feedback on initial ideas for SCP content

**Participants:**

KivuWatt – Michelle Rugema ....

PAPs - Eighteen PAPs were present. See attached list of participants

**Background**

The PAP’s were located with the help of two men from around the area who had a great deal of knowledge about the area and its people. We agreed on 3pm as a time because that is the time most of the people are home after lunch as opposed to mornings when they are busy farming. The soccer field was easy for everyone to access and was a place known by all.

**Meeting report**

Only 2 PAP’s were at the soccer field by 3pm, so we decided to give the rest 30 more minutes to arrive. I took that time to introduce myself to the ladies that had made it on time and asked them to tell me a little bit about themselves and what they do. By 3:40 we had 17 people present so we began the meeting. I collected everyone’s ID’s and cross-checked with my list to make sure that those who showed up to the meeting were all indeed PAP’s. Some of the PAP’s were represented by their spouses but had brought their spouses ID cards. Through neighbors and/or friends, we were able to confirm that the relationships were indeed valid. After checking off my list we officially started the meeting.

I started off by thanking everybody for taking the time out to come for the meeting, and introduced myself as a representative of Kivuwatt community relations. I told them the reason I was there and that I was meeting with them was to get in touch with the people who were expropriated from the land on the MLS/PP site for two reasons. One, to follow up on how they are doing, i.e.: whether they have replaced the land they lost, if they continued planting or if they moved on to other things. I
then explained that Kivuwatt wants to help them through a small development project to help increase their income.

I told them that the main reason for my visit was to hear from them on their ideas and suggestions on possible projects that they feel would boost their income and increase their standards of living in one way or another. I made it clear to them that it is very important to Kivuwatt to be able to hear their voices and get their ideas on potential projects before we come to a conclusion.

I then shared with them some of our (KivuWatt) thoughts on projects. I told them that Kivuwatt was thinking of working with local government to set up a co-op greenhouse that would produce tomatoes for the market. I asked them what they thought about this.

They were all quick to say that they did not feel like the greenhouse idea was the most beneficial to them because according to one PAP, they have been farming and selling their vegetables to the markets and they do not see it as financially fruitful and they do not believe it will significantly boost their income, or their standard of living for that matter.

One PAP gave a suggestion that seemed to get a great deal of approval from the rest of the PAP’s – exploitation of Lake Kivu through fishing. He suggested that living next to the Lake is very advantageous but none of them have been able to benefit from this because of it is very expensive to buy fishing boats. They proposed that a fishing co-op, coupled with lake transportation would be the most beneficial to them. This seemed to be the most popular proposal from the PAP’s.

Another suggestion from one of the PAP’s was building a guest house for PAP’s in which they could be employed in and share the income equally. This did not gain much popularity amongst the rest of the PAP’s.

After they had shared their ideas I let them know that after we have consulted with all the PAP’s we will come back and let them know what we heard and what exactly we plan to do.

I thanked them once more for coming out and assured them that we would be back.

We took some pictures and adjourned the meeting.

There was no local authority present at the meeting.


This adds to the list of suggestions gained from one on one meetings with some PAPs on November 9 and 10, 2010. These other ideas included a transportation co-op that would enable the people to
transport building material to different areas in Kibuye that are under construction. Some of the PAP’s expressed the need for transportation in their village, stating that many times, they fall ill and cannot make it to the hospital because of transportation issues. Therefore, they were suggesting that while these trucks are not being used for transporting building material, if a need arises to transport an ill member of the co-op, there will be a car available.