

DECREE LAW NO. 12/2020 of 14 April
REGULATING THE COVID-19 FUND

Through Law No. 2/2020 of 6 April, the National Parliament created the COVID-19 Fund, which aims to finance expenditures related to the prevention and combating of COVID-19 disease, administering, specifically, one part of the extraordinary transfer from the Petroleum Fund authorized by the National Parliament through the same law.

Article 5.7 of Law No. 2/2020 of 6 April determines that the COVID-19 Fund is regulated by the Government, which is done through this law, establishing it as an autonomous fund within the Ministry of Finance, with segregated accounting of revenues and expenses in relation to the budget for this Ministry, thus allowing greater agility and monitoring of expenditure for the prevention and combat of COVID-19 disease. The Fund is administered by a Management Board, composed of the Government members responsible for finance, health and foreign affairs, which is responsible for approving the expenditure of the Fund, which is assisted by a Technical Secretariat.

However, it is not intended that the Fund should replace the members of the Government in the performance of their duties, nor the Inter-ministerial Commission for the Coordination of the Implementation of Measures for the Prevention and Control of the Outbreak of the New Coronavirus, which will continue to be responsible for defining the priority measures for the prevention and control of the COVID-19 disease to be financed by the Fund.

Thus, the Government decrees, pursuant to Article 115.3 of the Constitution of the Republic and Article 5.7 of Law No. 2/2020 of April 6, to apply as law the following:

Article 1
Purpose

This decree regulates the COVID-19 Fund, hereinafter referred to as Fund.

Article 2
Nature

1. The Fund shall be autonomous in nature and shall have administrative and financial autonomy.
2. The Fund is integrated into the direct administration of the State within the Ministry of Finance.

Article 3
Purpose

1. The purpose of the Fund is to finance expenditures relating to the prevention and combating of the COVID-19 disease:
 - a) Acquisition of medicines, materials and medical equipment used to prevent and combat the SARS-Cov-2 virus and COVID-19 disease, including the hiring of air transport services, when necessary;
 - b) Installation and maintenance of quarantine and isolation facilities;
 - c) Training and operationalization of professionals involved in preventing and combating SARS-Cov-2 and COVID-19 disease;
 - d) Acquisition and supply of essential goods;
 - e) Social protection for victims of SARS-Cov-2 and COVID-19 disease;
 - f) Other expenditures not referred to in the above points related to the described purposes.

2. Expenditures financed from the Fund shall be executed by other public bodies.
3. The Fund may make direct payment of expenditure or may transfer the respective amount to the budget of the implementing entity for payment.
4. Expenses incurred during the financial year 2020, even before the start of the Fund's operations, related to the prevention and combat of COVID-19 disease, may be reimbursed from the Fund by transferring the respective amount to the budget of the entity that made the expenditure.
5. The process for approving the financing of expenditure by the Fund is regulated by Government decree.

Article 4
Appraisal of measures

1. Inter-ministerial Commission for the Coordination of the Implementation of Measures for the Prevention and Control of the Outbreak of the New Coronavirus evaluates the measures to be financed from the Fund, taking into account the national strategy for preventing and combating the COVID-19 disease.
2. The obligation under the previous paragraph does not apply to measures taken before the Inter-ministerial Commission for the Coordination of the Implementation of Measures for the Prevention and Control of the Outbreak of the New Coronavirus becomes operational, nor after its termination.

Article 5
Procurement and contracting

1. Procurement and contracting relative to the expenses financed with funds from the Fund are carried out by the public entities that execute the respective measures, under the terms of the Legal Regime for Procurement and the Legal Regime for Public Contracts, regardless of their amount.
2. Contracts relative to the expenses financed with money from the Fund can anticipate the production of retroactive effects.

Article 6
Management Board

1. The administration of the Fund is the responsibility of the Management Board, which is composed of the Government member responsible for finance, who presides, the Government member responsible for health and the Government member responsible for foreign affairs.
2. The duties of the members of the Management Board are exercised on an accumulative basis and do not confer the right to any increase in remuneration or benefits.

Article 7
Operation

1. The Management Board shall meet whenever convened by its President or the majority of its members.
2. The Management Board may only deliberate when all its members are present.
3. The resolutions of the Management Board shall be deemed to have been approved if at least two of its members vote in favor.
4. The deliberations of the Management Board are reasoned and recorded in minutes.

5. Any other person whom the Management Board decides to invite may attend meetings of the Management Board without voting rights.

Article 8

Powers

1. It shall be the responsibility of the Management Board to:
 - a) Approve the execution of expenditure by the Fund, both through direct payment of expenditure and through transfer of funds to the budgets of other entities;
 - b) Approve the plans of expenditure to be financed by the Fund;
 - c) Approve the proposed budget of the Fund;
 - d) To present regular information to the Council of Ministers and the National Parliament on the allocation of funds, execution and balance;
 - e) To promote the approval of proposals for regulations that prove necessary for the normal functioning of the Fund.
2. The Management Board is empowered to approve expenditure of unlimited amounts.

Article 9

Technical Secretariat

1. The Management Board is supported by a Technical Secretariat composed of officials and agents of the Public Administration on a requisition basis.
2. The members of the Technical Secretariat are appointed by order of the Chairman of the Management Board, who also appoints the member who assumes the functions of coordinator, who is responsible for coordinating the work of the Technical Secretariat.
3. The exercise of functions in the Technical Secretariat does not confer the right to any increase in remuneration or benefits, unless the Management Board decides so.

Article 10

Powers

It is the responsibility of the Technical Secretariat to:

- a) Analyze the documentation relating to payment requests;
- b) Prepare proposals for Management Board decisions and provide it with all the necessary information to enable it to give its opinion;
- c) Prepare the meetings of the Management Board;
- d) Draft reports on its functions;
- e) Carry out other tasks as requested by the Management Board.

Article 11

Technical, administrative and logistical support

The Ministry of Finance provides the technical, administrative and logistical support necessary for the operation of the Fund, the Management Board and the Technical Secretariat.

Article 12

Revenues

The following constitute revenue for the Fund:

- a) Transfers from the Petroleum Fund;
- b) Appropriations allocated to it from the General State Budget;

- c) Transfers and donations from other national and foreign entities;
- d) Any other income or revenue allocated to it.

Article 13
Expenses

Expenditure by the Fund shall be the result of charges and responsibilities arising from the pursuit of its activities, including management and administrative expenses.

Article 14
Financial management

The financial management of the Fund follows the regime applicable to Autonomous Funds and Services (SFA).

Article 15
Dissolution of the Fund

After the dissolution of the Fund, the remaining money, if any, is transferred to the Treasury.

Article 16
Transitional arrangements

Until the law on the General State Budget for 2020 is passed, the budget execution of the Fund shall be governed by a provisional budget prepared by the Management Board and approved by the member of the Government responsible for finances.

Article 17
Entry into force

This law shall enter into force on the day following its publication.

Approved by the Council of Ministers on 8 April 2020.

The Prime Minister
/s/
Taur Matan Ruak

The acting Minister of Finance
/s/
Sara Lobo Brites

Promulgated on 14.4.2020

To be published.

The President of the Republic
/s/
Dr. Francisco Guterres Lú-Olo