



VIII CONSTITUTIONAL GOVERNMENT

DECREE-LAW No 10 /2022 of 4 March 2022

APPROVES MEASURES TO STRENGTHEN THE DISTRIBUTION OF BASIC FOOD BASKET TO THE TIMORESE FAMILIES IN MOST NEED AND TO SUPPORT LOCAL ECONOMIC OPERATORS AND CREATIONS OF A SPECIAL PROCUREMENT REGIME FOR THIS PURPOSE, UNDER THE ECONOMIC RECOVERY PLAN

The economic crisis resulting from the COVID-19 pandemic continues to strongly affect economies around the world, with particular focus on developing countries, such as Timor-Leste. To meet this challenge, it is essential and indispensable that the State to continue intervene in the sense to create conditions to cushion the effects of this crisis, with a view to economic recovery and the sustainability of the populations.

In addition, there is a worldwide increase in prices of products in general, with repercussions on the cost of living of people, making it necessary for the State to act in order to reduce the increased vulnerabilities resulting from it.

In fact, despite the various measures already taken by the Government, it is a general conviction that the State must continue to make essential products available to people in need, in order, on the one hand, to ensure the sustainability of families and, on the other hand, create normal conditions for the activity of economic operators in facing of reduced demand. In this context, the measure of the "basic food basket" is resumed, which consists of the acquisition and distribution of food products of primary need and personal hygiene, as well as to support national producers and operators.

Among other options, the criterion for determining the universal beneficiaries of the distribution of the basic food basket is established in a way limited to the most needed people of food support and determined the distribution period is throughout the year 2022.

This Decree-Law also provides a special supply regime, opting for the method of requesting quotations, also specifying that, in the composition of food products, preference should be given to goods from national production, only resorting for imported products when local products do not exist or are not available in the domestic market.

On the other hand, the intervention of economic operators in the process of acquiring and distributing the basic basket is limited to cooperatives and to those that are formally constituted and demonstrate a situation regularized with the tax authority and whose majority of the company's capital stock be owned by Timorese citizens.

Moreover, like previous experience, a system of monitoring, evaluation of results and accountability on the implementation of the "basket food basic" measure is also established.

Thus, the Government decrees, in accordance with points b), o) and p) of paragraph 1 of Article 115 and point d) of Article 116 of the Constitution of the Republic, to be effective as law, the following:

CHAPTER I GENERAL PROVISIONS

Article 1 Object

1. This Decree-Law approves measures to strengthen the distribution of basic food to the most needed Timorese families and to support local economic operators in the implementation of the Economic Recovery Plan.
2. This Decree-Law shall also lay down the mechanisms and conditions for the implementation of the measures referred to in paragraph 1 and shall establish a special supply regime for the distribution of basic food basket to Timorese families.

Article 2 Definitions

For the purposes of this decree law:

- a) «Basic food basket» means the basket of essential foodstuffs and personal care products or the purchase voucher attached to the corresponding goods of the same value;
- b) «Agricultural producers» means the cooperatives of agricultural production, duly identified agrobusinesses undertakings and individual farmers who have agricultural products available for market supply;
- c) «Producers and traders of food and personal care products», cooperatives of production and distribution, commercial enterprises and individual traders duly identified by means of a corresponding commercial registration document and who are in good standing with the tax administration, can only be selected when the majority of the share capital is held by Timorese citizens, and informal sellers with food and personal hygiene supply activity in a manner recognised in the corresponding municipality;

- d) «*Uma Kain*», households;
- e) «*Registration Book of Uma Kain*», the written support of registration of households integrated in the Population Administration Book, which is part of the *Suco* Administration Book, according to the model established under Ministerial Diploma 49/2017, of 23 August.

Article 3

Objectives

The objectives of this act are to:

- a) Continue to stimulate local economic dynamics through the circulation of financial resources necessary to increase national production, aiming at reducing the impacts of the economic crisis resulting from the COVID-pandemic¹⁹ as part of the implementation of the Economic Recovery Plan;
- b) Ensure farmers, agricultural producers in general and local traders a condition to obtain and improve their incomes;
- c) Encourage local supply and circulation of national agricultural products;
- d) Support families in meeting basic needs, also contributing to combating hunger and increased vulnerabilities in some of the poorest and most isolated regions of the country;
- e) Contribute to the improvement of the food and nutritional diet of Timorese families affected by decreased income or increased burdens.

CHAPTER II

BASIC FOOD BASKET

Section I

Composition, beneficiaries, amount, and distribution period

Article 4

Composition

1. The basic food basket shall consist of a basket of food products incorporating carbohydrates, proteins and vitamins, preferably during the period, and personal hygiene goods, including feminine hygiene products, whose description, quantity and price are defined by joint order of the members of the Government responsible for trade and industry and the cooperatives.

2. The basket referred to in the preceding paragraph may be replaced by a purchase voucher, attached to the goods corresponding to the same value, to be issued by the successful tenderers for the distribution of the basic food basket, particularly in urban centres.

Article 5

Beneficiaries

1. The beneficiaries of basic food baskets are citizens who are members of households registered in the "*Register Book of Uma Kain*" residence of the national territory at the time of distribution of the basic food basket, listed as beneficiaries of the "Basic Food Basket" prepared pursuant to Article 5 of Decree-Law No 48/2020 of 7 October, as amended by Decree-Law No 1/2021 of 6 January, and Joint Ministerial Decree No 38/2020 of 26 October.
2. The beneficiaries of basic food basket are citizens who are currently attending socio-educational, religious, health or boarding school institutions, as well as victims of domestic violence and gender violence, shall also be beneficiaries of the basic food basket, which at the date of entry into force of this Decree-Law they live in shelters, and for this purpose are treated separately from their respective households listed in the "*Register Book of Uma Kain*".
3. Excluded in the list of beneficiaries are Timorese citizens and their members of *Uma Kain* who are in a position of:
 - a) holder of sovereign body;
 - b) former sovereign body holder who has acquired the right to monthly pension awarded by virtue of the exercise of office;
 - c) Directors or heads of departments of the direct and indirect administration of the State;
 - d) Other Timorese citizens and their members of *Uma Kain* with monthly incomes exceeding US\$ 500.

Article 6

Representation of beneficiaries

1. In all acts and procedures relating to the allocation of the basic food basket, each household shall be represented by only one of its members, male or female, who shall be considered to be a representative of the household.
2. For the purposes of the preceding paragraph, the person listed in the "*Register Book of Uma Kain*" as head of the household shall be presumed as representative of the household or, in the absence or impediment thereof, another household member aged 17 or over.

3. For the purposes of the *"Register Book of Uma Kain"*, the head of the household shall be freely determined by the household and may be a male or female person, whom the village authority being required to register, as such, the person representing the household, regardless of gender.

Article 7 **Amount of the basic food basket**

The basic food basket is fixed in an amount up to US\$ 50 for each person or member of the beneficiary household.

Article 8 **Distribution period**

The basic food basket is distributed throughout the year of 2022.

Section II **Special Regime of Supply**

Article 9 **Acquisition of products and packaging for distribution**

1. The procurement processes and contract for the acquisition and distribution of products for basic food basket comply with the provisions of the legal regime of procurement and the legal regime of public procurement, regardless of the corresponding value, with the specialties established in this Diploma.
2. The act of opening the provisioning of procurement procedure and the consequent procedural acts are the competence of the following implementing entities:
 - a) The Ministry of Tourism, Trade and Industry;
 - b) State Secretariat of Cooperatives.
3. The entities referred to in the preceding paragraph shall be responsible for contracting the economic operators in their areas of governance in relation to the acquisition of stock of all the products that make up the basic food basket for distribution purposes, within the value of the supply contract.
4. The entities referred to in paragraph 2 shall ensure efficient distribution and prefer domestic producers and commercial operators based in all municipalities and in the Special Administrative Region of Oe-Cusse Ambeno.
5. The conditions of procurement shall include the price of products and the operational costs for distribution, in particular product packaging, transport and administrative burdens.

6. For the purpose of packaging the basic food basket products for distribution, the contracts with the adjudicated entities shall include their obligation to preferentially use biodegradable or reusable packaging made available on the market.

Article 10

Mode of Procurement

1. The procurement for the acquisition and distribution of the basic food basket shall be made by means of request of quotations, up to the limit of the amounts allocated for this purpose in the General Budget of the State to each of the contracting entities referred to in the preceding article.
2. It is not applicable the procurement procedures carried out in this decree law, the Article 2 of Decree-Law No 14/2011 of 30 March, as amended by Decree-Law No 28/2014 of 24 September, and Article 15 of the Legal Regime for Procurement, approved by Decree-Law No. 10/2005 of 21 November, on its current version, such as the number 3 article 33 and number 3 article 34 of the Public Procurement Regime, approved by Decree-Law No 12/2005 of 21 November.

Article 11

Preference of origin of the basic food basket products

1. In elaborating the contract documents and in adjudicating decision in the supply process of the products that make up basic food basket, preference shall be given, among other legal criteria, to goods derived from national production, only resorting to imported products when goods of domestic production do not exist or are not available on the domestic market.
2. In elaborating the contract documents and in adjudicated decision referred to in the previous paragraph, preference is also given to small and medium-sized enterprises and cooperatives led by women or with a majority women employees.

Article 12

Delegation of powers

The head of each contracting entities may delegate to the respective head of directorate position or chief that is responsible for the subject matter, the powers relating to the procurement for the distribution of the basic food basket.

CHAPTER III

FINANCING, LIAISING, MONITORING AND REPORTING

Section I

Financing and articulation

Article 13

Financing

1. The financing of the costs relating to the distribution of the basic food basket, as well as the organisational and logistical operations necessary for its implementation, shall be ensured by specific appropriations provided for in the General State Budget for the Ministry of Tourism, Trade and Industry and for the State Secretariat of Cooperatives.
2. Of the total amount for the basic basket entered in the budget of each implementing entity, it shall be used for the financing of its operational costs up to a maximum of 7% thereof.
3. Operational costs shall include organisational and logistical operations, the operation of the Technical Secretariat, the cost of staff allocated to the basic food basket measure, in particular allowances for official travel to monitor the implementation of this measure, among other necessary expenses, in accordance with a joint order of the members of the Government responsible for trade and cooperatives, and the costs of assessing the socio-economic impact of the measure.
4. The distribution of the basic food basket shall be carried out in accordance with the financial execution plan set out in the Annex hereto.

Article 14

Liaising with other entities and other responsibilities

1. Implementing entities shall liaise with relevant public services and institutions outside the Public Administration and may have partnership and technical assistance agreements and contracts for the purposes necessary for the implementation of this decree, which are subject to the Legal Regime of Procurement, if applicable.
2. The member of the Government responsible for the area of state administration, through the Directorate-General for Administrative Decentralisation, shall send the lists of *Uma Kain* of each municipality and of the Oe-Cusse Ambeno Special Administrative Region, prepared in accordance with Article 5 of Decree 48/2020, of 7 October, amended by Decree-Law No 1/2021 of 6 January, and Joint Ministerial Diploma No 38/2020 of 26 October, to the Technical Secretariat created by this diploma, accompanied by its digital version.
3. The Member of the Government responsible for the area of State administration shall, in liaison with the municipal authorities and administrations and the *Sucos*, ensure that measures are taken to support the organisation and distribution of the basic food basket to the beneficiaries, ensuring compliance with the principle of equality and non-discrimination, as well as their participation in the distribution thereof.

4. The implementing bodies shall coordinate with the Authority of the Oe-Cusse Ambeno Special Administrative Region the implementation of the basic food basket in their territorial district.

Section II

Monitoring, evaluation and accountability

Article 15

Monitoring, evaluation and accountability

1. The implementation of the measure provided for in this decree shall be subject to monitoring, evaluation and accountability.
2. Without prejudice to mid-term exercises, at the end of each basic basket distribution period, a report is presented identifying the numbers of beneficiaries, the entities involved, and the budgets that include operational costs incurred.

Article 16

Technical Secretariat

1. For the purposes of the preceding Article, a Technical Secretariat shall be established, the composition and competence of which shall be laid down in the following Articles.
2. Where the members of the Technical Secretariat do not assume the role of civil servants or of the Public Administration agents, they shall carry out such functions under a fixed-term employment contract in accordance with the law.
3. The contracts referred to in the preceding paragraph may provide for retroactive effects, depending on their duty start.

Article 17

Composition of the Technical Secretariat

1. The Technical Secretariat shall consist of seven members and shall comprise:
 - a) Two members appointed by the Minister Coordinating for Economic Affairs, one of whom is the coordinator;
 - b) Two members appointed by the Minister for Tourism, Trade and Industry;
 - c) One member appointed by the Minister of State Administration;
 - d) Two members appointed by the Secretary of State for Cooperatives.
2. The Technical Secretariat may adopt its internal rules of operation.

Article 18

Competence of the Technical Secretariat

1. The Technical Secretariat shall:

- a) Support the members of the Government involved in the implementation of the basic food basket measure, in all that is necessary for the implementation of this decree;
 - b) Liaise with the offices of the members of the Government and the relevant institutions referred to in this Regulation;
 - c) develop administrative and technical procedures in supporting basic food basket distribution processes;
 - d) Ensure uniform procedures.
 - e) Prepare the proposals of beneficiaries' final lists of the basic food basket, consisting of the general list of beneficiaries provided for in paragraph 1, Article 5, minus the beneficiaries excluded pursuant to paragraph 3, Article 5, and the particular lists drawn up pursuant to paragraph 2, Article 5;
 - f) Submit for the approval of the members of the Government responsible for trade and industry and the cooperatives the consolidated lists of beneficiaries of the basic food basket, drawn up in accordance with the preceding paragraph and Article 21;
 - g) Submit for the approval of the members of the Government responsible for trade and industry and cooperatives the distribution plan for the basic food basket, which defines the locations of responsibility of each of the implementing entities, taking into account the number of beneficiaries in an equitable manner;
 - h) Draw up periodic reports, where necessary, on its tasks;
 - i) To comment on the evaluation of the reports on the implementation of the distribution of the basic food basket;
 - j) Present the final report on the implementation of this Decree-Law.
2. Other persons may be invited or designated to participate the meeting of the Technical Secretariat whose participation or contribution may be considered relevant on the matters to be discussed.
 3. The Technical Secretariat shall cease to function with the submission of its final report at the end of the distribution period, no later than 60 days after the submission of the final report of the overall implementation of the distribution of the basket by the entities responsible for supply and distribution.

Article 19

Administrative and logistical support

The Technical Secretariat referred to in the preceding Articles shall be provided with the administrative and logistical support necessary for the normal functioning of the personnel designated for the purpose of the offices of the members of the Government involved in the basic food basket distribution procedure.

Article 20

Preparation and submission of reports

Without prejudice to mid-term information which produces and requested weekly, biweekly or monthly, the Technical Secretariat shall prepare and submit quarterly to the Minister Coordinating for Economic Affairs, with the knowledge of the other members of the Government concerned, a report on the implementation of the distribution of the basic food basket and the budgetary implementation of its distribution, which is submitted to the Prime Minister for consideration and evaluation by the Government, without prejudice to the submission of the final global report after the completion of the distribution of the basic basket.

CHAPTER IV

FINAL PROVISIONS

Article 21

Consolidation and Fixation of beneficiary lists

1. The lists of beneficiaries of the basic food basket measure shall be consolidated by the Technical Secretariat and fixed by joint order of the members of the Government responsible for trade and industry and the cooperatives.
2. When the lists of beneficiaries are consolidated, they shall be forwarded to the contracting authorities for the implementation of the regular distribution of the basic food basket.
3. The households shall be entitled to request for withdrawal or modification of the order referred to in paragraph 1 in accordance with the applicable legislation of the administrative procedure.

Article 22

Forms and procedures

The forms and other procedures necessary for the proper execution of the distribution of the basic food basket can be developed and determined by joint order of the Minister of Tourism, Commerce and Industry and the Secretary of State for Cooperatives.

Article 23

Revocation

The following shall be revoked:

- a) Decree-Law 48/2020 of 7 October 2020;
- b) Decree-Law 1/2021 of 6 January.

Article 24
Entry into force

This Decree-Law shall enter into force on the day following its publication.

Approved by the Council of Ministers on 9 February 2022.

The Prime Minister,

Taur Matan Ruak

The Minister Coordinating for Economic Affairs,

Joaquim Amaral

The Minister of Tourism, Trade, and Industry,

José Lucas do Carmo da Silva

The Minister of State Administration,

Miguel Pereira de Carvalho

Promulgated in 1 March 2022.

Publish.

The President of the Republic,

Francisco Guterres Lú Olo

ANNEX**(Referred to in Article 13.4)****Financial Implementation Plan**

Implementation Agency	Basic Food Basket	Operational Cost (7%)	Total
MTCI (Ministry of Tourism, Trade and Industry)	US\$ 37.200.000	US\$ 2.800.000	US\$ 40.000.000
SECOOP (Secretary of State for Cooperative)	US\$ 37.200.000	US\$ 2.800.000	US\$ 40.000.000
Total	US\$ 74.400.000	US\$ 5.600.000	US\$ 80.000.000