

**Decree-Law No. 8 / 2011  
16 March**

**REGULATIONS ON THE FUND FOR INFRASTRUCTURE**

[Law No. 1/2011 of February 14, approving the State Budget \(OGE\) for 2011](#), created the Fund for Infrastructure, under Article 32 of [Law 13/2009 of 21 October](#) (Law on Budget and Financial Management).

This Fund is intended to finance the implementation of a set of infrastructures that require massive investments in multi-year projects and infrastructure that meets the needs of Timor-Leste.

It is a financial instrument most appropriate to the nature of multi-annual programs and infrastructure projects to be undertaken in the country, enabling resources, once programmed, not to be restricted or lost to the point of jeopardizing the entire project.

Thus, the Infrastructure Fund allows the state to finance multi-annual projects for capital development, in a more secure, transparent and accountable way.

Thus,

The Government decrees, in accordance with Article 115.1(e) of the [Constitution](#) of the Republic and Article 9.7 of [Law No 1/2011](#) of 14 February, to stand as law, the following:

**CHAPTER I  
NATURE AND OBJECTIVES**

**Article 1  
Nature and purpose**

1. This Decree-Law regulating the Infrastructure Fund, hereinafter called the Fund.
2. The Fund is intended to fund strategic programs and projects aimed at acquisitions, construction and development of:
  - a) Road infrastructure, including roads, bridges, ports and airports;
  - b) Power generators and distribution lines;
  - c) Telecommunications;
  - d) Infrastructure that promote flood protection;
  - e) Treatment facilities for water and sanitation;
  - f) The logistics facilities, including storage infrastructure;
  - g) Government buildings, including facilities for health and education;
  - h) Other infrastructure that promote the strategic development.

**Article 2  
Objectives**

The objectives of the Fund:

- a) Ensure the financing of public investment in infrastructure;
- b) Guarantee security in the negotiation and contracting of multi-annual projects;
- c) Allow the retention of funds at the end of the Fund's financial year, with the aim of ensuring the continuity of implementing multi-year infrastructure projects under Article 32.2 of [Law No 13/2009 of 21 October](#);
- d) Promote transparency and accountability for implementing programs and projects of infrastructure financed by the Fund.

**CHAPTER II**  
**BOARD OF DIRECTORS** (Conselho de Administração)

**Article 3**  
**Composition**

1. The Board of Directors is the entity responsible for operations of the Fund.
2. The Board is composed, in permanent regime, the Prime Minister, who chairs, the Finance Minister and Minister of Infrastructure.
3. Also part of the Board, temporarily, other members of the Government, that relate to programs and projects to be financed by the Fund.

**Article 4**  
**Mandate**

1. The Board of Directors, namely, is mandated to:
  - a) Approve and prioritize projects to be financed by the Fund and their respective estimated costs;
  - b) Approve the funding options for each project;
  - c) Coordinate the preparation and approve the proposed budget of the Fund, to be submitted to the Budget Review Committee;
  - d) Allow payments to be processed through the Fund;
  - e) Approving the Activity Reports and the Accounting Report of the Fund.
2. The Board may delegate to any member of the powers referred to in the preceding paragraph.

**Article 5**  
**Functioning**

1. The Board shall meet whenever convened by its chairman or a majority of its members.
2. The Board decides by simple majority of members present, with the President having the casting vote.
3. In the absences, absences or incapacity of the President, this means the replacement from the remaining Council members.
4. The Board's decisions are reasoned and recorded in the minutes.

**Article 6**  
**Technical and administrative support**

The Board is supported technically and administratively by the Major Project Secretariat.

**CHAPTER III**  
**PROGRAM, PROJECTS AND BUDGETING**

**Article 7**  
**Infrastructure Programs and Projects**

The programs and projects to be financed by the Fund are proposed by Ministries or other bodies and approved by the Board of Directors of the Fund.

**Article 8**  
**Fund budget**

The proposed budget of the Fund is presented to the National Parliament together with the proposed state budget, according to [Law no. 13/2009 of 21 October](#) on Budget and Financial Management.

**Article 9**  
**Receipts and Expenses**

1. Fund receipts:
  - a) The budget allocated annually by the State Budget Law;
  - b) Other revenues allocated by law or contract.
2. All expenses necessary to achieve the purposes to which the Fund is intended constitute expenses of the Fund.

**CHAPTER IV**  
**FUND EXECUTION**

**Article 10**  
**Official account**

1. The Fund has an official account, held in a banking institution headquartered in the national territory, in which all revenues are credited and all expenses of the Fund charged.
2. The opening of the account referred to in the preceding paragraph is authorized by the Minister of Finance.

**Article 11**  
**Authorization of expenditure**

1. The implementation of expenditure and payment processing can occur only after authorization by the Board of Directors for to realize expenses through the Fund, in its fiscal year.
2. The payments to be made by the Fund are processed by the Ministry of Finance, through the official account.

**Article 12**  
**Budget amendments**

The Board is empowered to approve budget amendments in appropriations for programs and projects within the limits of the Fund's total appropriation approved by Parliament for their respective goals.

**Article 13**  
**Transition balances**

The balances calculated at the end of each financial year are retained in the official account of the Fund, automatically moving to the next year.

**Article 14**  
**Accounting records**

It is for the Treasury to ensure the recording of all revenues and expenses of the Fund, according to the classification systems in place.

**CHAPTER V**  
**FINAL PROVISIONS**

**Article 15**  
**Control and financial responsibility**

Controlling the implementation of the Fund and financial responsibility are subject to rules in Title VI of [Law 13/2009, of 21 October](#), on Budget and Financial Management, with the necessary adaptations.

**Article 16**  
**Regulation**

This law is regulated by ministerial order of the Prime Minister.

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**Article 17**  
**Entry into force**

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

Approved by the Council of Ministers on 19 February 2011.

The Prime Minister,

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**Kay Rala Xanana Gusmão**

The Minister of Finance,

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**Emilia Pires**

Promulgated on 14 March 2011

To be published.

The President of the Republic,

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**Jose Ramos-Horta**