

Presidency of the Council of Ministers

Eighth Constitutional Government

Press Release

Meeting of the Council of Ministers on March 24th, 2021

The Council of Ministers met, at the Ministry of Finance, in Dili, and began the meeting with the analysis of **the presentation that the coordinators of the Integrated Crisis Management Centre (CIGC – Portuguese acronym) gave**, on the state of the epidemiological situation in Timor-Leste. Currently, sporadic cases are reported in Oe-Cússe and Covalima, there is spread of cases in Baucau, Viqueque and Lautém, with origin in people coming from Dili, before the imposition of the sanitary fence, and there's a highly virulent propagation in several areas of the city of Dili.

CIGC's situation room officials presented as immediate priority to stop the existing transmission outbreaks, through a rapid detection and isolation of all positive cases. It is also intended to increase the capacity of laboratory analysis and contact screening. It is also a priority to prevent the transmission of the virus to other municipalities and to prepare the necessary actions to mitigate possible Community transmission outbreaks that may exist. Another priority objective is to mitigate the socio-economic effects of COVID-19.

Given the evolution of the epidemiological situation in the Fatumean Administrative Post, municipality of Covalima, the Council of Ministers approved a Government Resolution draft **repealing Government Resolution No. 13/2021, of March 10, which imposes a Health Fence in Fatumean Administrative Post.**

The Government has decided **to propose to His Excellency, the President of the Republic, Francisco Guterres Lú Olo, the renewing of the state of emergency for another thirty days.** Given the worrying developments in the epidemiological situation and the proliferation of registered cases of COVID-19 contagion, and in order to avoid and neutralise the risks of SARS-CoV-2 spreading, thus protecting the public health and National Health System responsiveness, the Government proposes to the President of the Republic that, with the renewal of the state of emergency, some fundamental rights and guarantees may be suspended or restricted.

Finally, the Council of Ministers approved the Law Proposal draft for **the first amendment to Law No. 14/2020, of December 29th, which approves the 2021 General State Budget (2021 GSB)**, to be submitted to the National Parliament with a request for priority and urgency, to respond to the epidemiological situation of COVID-19 and its socio-economic impacts.

With this amendment, consolidated revenues from the General Public Sector now amount to US\$ 2,165.1 million and revenues from central government agencies and services now amount to US\$ 1,932.5 million. The budgets of the Special Administrative Region of Oe-Cússe Ambeno and Social Security are unchanged.

The amendment will finance a set of six main intervention measures, prepared by the Government, which are: 1) employment support; 2) moratorium on credits; 3) exemption from tuition fees; 4) food acquisition; 5) support to frontline professionals; and 6) COVID-19 prevention and mitigation measures.

Under the employment support measure, an extraordinary subsidy will be granted, for a period of three months, from March to May 2021, to employees, with the amount equivalent to 70% of salary in sectors of activity legally prevented from operating, and 50% of remuneration in sectors that are operating normally. Employers and workers are exempted from the duty to pay social contributions relating to this income.

Self-employed workers, individual entrepreneurs, domestic service workers, and managers and administrators are also provided for an extraordinary allowance, also for a period of three months, equivalent to 85% of the value of their conventional remuneration. They are also exempted from the duty to pay social contributions relating to this income. Also included in this measure are workers who carry out informal activities, provided that they proceed to their formalization with the National Institute of Social Security.

An extraordinary unemployment benefit is also provided for workers enrolled and with contributions already made to Social Security, with the amount of 40% of the value of conventional remuneration for the 1st step, which forms the basis of contributory incidence for social security, in optional enrolment.

For employers, self-employed workers, individual entrepreneurs, domestic service workers and managers and administrators, are also provided for the waiver of the duty to pay social contributions and the allocation of extraordinary subsidies for joint contribution of energy and rent costs.

It is also intended to relieve the debtors from the costs with the amortization of loans, with the implementation of the moratorium on the fulfilment of obligations arising from credit concession agreements, deferring by nine months the maturity of the obligations of capital returning and establishing the jointly participation of the State in the payment of interest.

It is also proposed to exempt students from higher education, which are prevented to carry out face-to-face education, from paying tuition fees, up to the amount of US\$ 150.

It is planned the acquisition of food, by the National Logistics Centre, from national producers, and for distribution by the most deprived people and families.

Part of the strengthening of 2021 GSB will be used to finance COVID-19 prevention and mitigation measures, notably related to the implementation of the vaccination program and the acquisition of more material for testing and treatment of hospitalized patients, as well as the construction of new isolation and quarantine sites and increase capacity of existing sites.

It is also provided for in the Law proposal, the support of frontline professionals, CIGC activities, the Basic Basket Program and the strengthening of rice stock in the National Logistics Centre.

The adoption of these measures requires a strengthening of the General State Budget, focusing on increasing the allocation of the COVID-19 Fund. The increase in revenue to finance the expected increase in expenditure will be achieved by the inclusion of management balances calculated at the end of the 2020 financial year, but not included in 2021 GSB, as well as the reallocation of budget appropriations between services, from the Appropriations for the entire Government and the Infrastructure Fund, so, it is not necessary to increase the amount of the transfer from the Petroleum Fund to the GSB. **END**

url: <http://timor-leste.gov.tl?lang=en&p=27350>