

Law by Decree No. 8 of 2020
Concerning the Emergency Public Budget of 2020

The President of the State of Palestine

The Chairman of the Executive Committee of the Palestine Liberation Organisation

In reference of the Bylaw of the Palestine Liberation Organisation,

The Amended Basic Law of 2003, as amended,

Having reviewed the Law No. 7 of 1998 on Regulation of the Public Budget and Financial Affairs, as amended,

Based upon the recommendation of the Council of Ministers, dated March 30, 2020,

Based upon the powers vested in me, and

In pursuance of the public interest,

I hereby promulgate the following Law by Decree:

Article 1

The State's revenues and expenditures for the twelve months expiring on December 31, 2020, shall be estimated as follows:

1.	<u>Net public revenues and financing sources</u>	<u>17,787</u>	<u>NIS million</u>
a.	Net revenues	<u>8,358</u>	NIS million
	Total revenues	8,698	NIS million
b.	Grants and aid in support of the public budget	1,509	NIS million
c.	Estimated grants to finance development expenditure	720	NIS million
d.	<u>Bank financing</u>	<u>2,160</u>	<u>NIS million</u>
e.	<u>Accumulating arrears</u>	<u>1,440</u>	<u>NIS million</u>
f.	<u>Payment of arrears</u>	<u>(1,440)</u>	<u>NIS million</u>
g.	<u>Other financing sources</u>	5,040	NIS million
2.	<u>Public expenditures and net lending</u>	<u>17,787</u>	<u>NIS million</u>
a.	Current expenditures and net lending	16,387	NIS million
b.	Development expenditures	1,400	NIS million

Article 2

Under this Law by Decree, external aid shall be estimated by the amount of NIS (2,229) million.

Article 3

The grants estimated to finance development expenditures, as delineated under Article 1(1)(c), shall be designated to cover the development expenditures as estimated under Article 1(2)(b), as described below:

1. Development expenditures [in the amount of] NIS (1,400) million, including NIS (720) million funded by donors. The Treasury shall contribute the amount of NIS (680) million.
2. Spending on the development projects funded by donors shall be commensurate to the amount of the financing realised in due form.

Article 4

No responsibility centre, whose budget is provided for under this Law by Decree, may borrow or have an overdraft from any local bank or financial institution.

Article 5

Borrowing from the banking sector during 2020 shall only be permitted for the purposes of covering the financing gap, if any, on condition that the balance of outstanding debt on December 31, 2020 is not greater than it was on December 31, 2019 except upon the approval of the Council of Ministers.

Article 6

1. All revenues, aid, grants and other financing sources shall be channelled to the consolidated account of the Public Treasury.
2. All the figures and data relating to 2020 under this Law by Decree shall be deemed to be indicative, adjustable and updatable in light of future developments during the fiscal year.
3. Monthly cash expenditure plans shall be developed on the basis of the principle of cash rationing in accordance with the priorities approved by the Council of Ministers, based upon a recommendation from the Minister of Finance.

Article 7

1. Expenditure from the current appropriations allocated under this Law by Decree shall be based upon monthly or quarterly, general or special, financial orders to be issued forth by the Minister of Finance, on grounds of a joint recommendation by the Director General of the Public Budget and Accountant General in line with the monetary plan prepared by both.
2. Remittances may not be issued with appropriations in excess of one month for current and/or capital expenditures unless compelling reasons to exceed the appropriations of one month exist.

Article 8

Payments on arrears shall be made in accordance with the monetary plan.

Article 9

1. If the implementation of any operation, whose appropriations are provided under the line item of a public institution, is assigned to another public institution, the power to spend from the appropriations contained in the financial orders issued by the Minister of Finance shall be transferred to the person responsible for spending at the implementing public institution with the approval of the Minister of Finance, based upon a recommendation from the Director General of the Public Budget, and in accordance with a new financial order.
2. No expenditure, payment or advance with no appropriation under this Law by Decree may be concluded. No commitment to any amount in excess of the appropriations allocated under this Law by Decree may be made.
3. The appropriations contained in financial orders may not be used for purposes other than those specified thereto. The appropriations provided by financial orders issued under this Law by Decree may not be exceeded.
4. Any amount of the appropriations allocated to any responsibility centre may only be paid with the signature of the person authorised of expenditure, or the person whom he delegates in writing from among employees of the higher category, on condition that the Ministry of Finance is notified of such delegation in writing.
5. No bank account may be opened for any responsibility centre except with a written permission from the Minister of Finance.
6. No commitment may be made to any amount in excess of the appropriations provided for under this Law by Decree.
7. The salary of any new employee may not be paid on the account of the appropriations of any responsibility centre except after his financial appropriation is allocated by the Minister of Finance, signing of the decision on his appointment by the competent minister to hold a position listed on the employment structure table of civil service, and the employee is informed thereof in writing by the General Personnel Council.
8. No wages or honoraria that have not been allocated financial appropriations under this Law by Decree may be paid for any reason whatsoever.
9. The allowance for supervision shall only be paid to the employee who holds a supervisory position as per the organisational structure approved for each responsibility centre, on condition that the financial appropriation is available under this Law by Decree.
10. In case any adjustment to the public budget line items approved for the fiscal year or the addition of new line items, which result in additional appropriations, is necessary, a law by decree to be annexed to the present Law by Decree must be promulgated.
11. Tendering procedures may only be initiated after it is ascertained that necessary financial appropriations are available as per a commitment authority from the Director General of the Public Budget.
12. Subject to the provisions of the Public Procurement Law No. 8 of 2014, as amended, particularly Article 60 on variation orders, a financial commitment authority issued by the Director General of the Public Budget must be obtained before the variation orders are issued.
13. If the expenditure resulting from emergency conditions was not taken into account at the time this Law by Decree was prepared, or have a special nature, payment shall be made from the appropriations of financial reserves upon a decision from the Council of Ministers at the recommendation of the Minister of Finance, at the request of the competent minister and recommendation of the Director General of the Public Budget after the request is examined. The amount appropriated for the budget of the relevant

public institution shall be transferred or paid through the central account of the Ministry of Finance.

Article 10

Development expenditure (new projects) appropriations allocated and approved for public institutions, and funded through the Treasury, shall be spent upon a decision from the Minister of Finance at the request of the competent minister and a joint recommendation by the Accountant General, Director General of the Public Budget and Directorate General of Projects at the Ministry of Finance.

Article 11

Public expenditure appropriations allocated under this Law by Decree shall be spent upon a decision from the Minister of Finance, based upon a recommendation from the Director General of the Public Budget, by transferring the amount appropriated for the budget of the relevant public institution or paying it through the central account of the Ministry of Finance.

Article 12

1. Appropriations may not be transferred from programme to another under a single line item except with the approval of the Prime Minister, based upon the recommendation of the Minister of Finance and at a written request from the competent minister, by which he makes clear the reasons for requesting the transference.
2. Appropriations may be transferred from the current expenditure line items to capital expenditures line items in the same programme with the approval of the Minister of Finance, at a written request from the competent minister, by which he makes clear the reasons for the request, and upon the recommendation of the Director General of the Public Budget. Transference in the other direction shall not be permissible.
3. Appropriations may be transferred among current expenditure line items within the same programme. Appropriations may also be transferred among capital expenditure line items within the same programme with the approval of the Minister of Finance, at a written request from the competent minister, and upon the recommendation of the Director General of the Public Budget.
4. Appropriations may be transferred from a development project to another development project within the same programme with the approval of the Minister of Finance, at a written request from the competent minister, and upon the recommendation of the Director General of the Public Budget.
5. Appropriations may not be transferred from salaries, wages and increments contained in current expenditures to any other set or vice versa, with the exception of social contributions.
6. The appropriations allocated in the budget of any responsibility centre shall be transferred to any employee who is relocated in accordance with the provisions of the Law of Civil Service to the responsibility centre of the body, to which he is relocated, with the approval of the Minister of Finance and upon the recommendation of the Director General of the Public Budget, provided that the programme from which and that to which he is relocated be identified in both centres.

Article 13

1. No employee shall be appointed in accordance with the provisions of the Law of Civil Service except after the necessary financial appropriation is allocated by the Minister of

Finance and the vacant position is available in accordance with the employment structure table.

2. Subject to the provisions of Article 9(7) of this Law by Decree, appointments shall be restricted to the new positions approved by the Council of Ministers in accordance with the employment structure table.
3. Appointments to position replacements for previous year shall not take place for any responsibility centre.
4. New positions which have not been occupied for any responsibility centre during the fiscal year shall be cancelled. Appointments to any previous new positions may not take place.
5. The vacancy of positions may not be advertised after the end of October 2020 notwithstanding the fact that new positions and financial appropriations are available under this Law by Decree.
6. Subject to the provisions of Article 9(8) of this Law by Decree, permanent positions that are temporarily vacant shall be occupied in accordance with the provisions of the Law of Civil Service, as amended, and the bylaws issued forth in accordance with it, under an employment contract in consideration of a salary that does not exceed the annual salary corresponding the vacant permanent position and in line with the provisions of the Law of Civil Service.
7. Subject to the provisions of the Public Procurement Law No. 8 of 2014, as amended, and the regulation issued forth in accordance with it, consultancy services shall be purchased if public servants lack the required competence and an actual need exists, on condition that the necessary financial appropriation is available under a financial commitment authority to be issued by the Director General of the Public Budget.
8. Promotion shall only take place after the necessary financial appropriation is available for the grade for which the promotion is sought.
9. Employment contracts of the staff and workers employed on the account of project appropriations shall terminate by default with the termination of those projects, depletion of those appropriations or expiration of their duration, any of which earlier.
10. The positions which become vacant as a result of adjusted organisational structures shall be cancelled.

Article 14

1. An allowance for overtime work shall not be paid. When necessary, overtime work shall be replaced by granting the employee a day off in respect of every six hours of overtime work in addition to his balance of annual leaves.
2. Notwithstanding the provisions of Paragraph 1 of this Article, employees in the health sector and General Administration of Crossings and Borders and workers at the shelters of the Ministry of Social Development shall be excluded, together with any employees who are excluded under a decision issued forth by the Council of Ministers.
3. The exclusion mentioned under Paragraph 2 of this Article shall apply to the employees of the second category and below.

Article 15

1. The expenditure tables annexed to this Law by Decree shall be deemed to be an integral part thereof.
2. The employment structure table of each responsibility centre shall be attached to this Law by Decree. Such tables shall be deemed to be an integral part of this Law by Decree.

Article 16

Notwithstanding the provisions of this Law by Decree, the Minister of Finance may deduct any amounts owed by public institutions to pay their due liabilities for water, electricity and fuel from their own budgets, provided that these are registered within the accounts of such institutions.

Article 17

1. The provisions of this Law by Decree shall be applicable to all the responsibility centres provided for thereunder. The Ministry of Finance / Department for Budget Monitoring and Performance Coordination shall control and follow up on the implementation of the programmes, projects and activities provided for under this Law by Decree.
2. All responsibility centres shall adhere to executing their budgets in accordance with the provisions of the Financial Regulation, taking into account the Financial and Accounting Regulation of the President's Office.

Article 18

All provisions that contradict the provisions of this Law by Decree shall be repealed.

Article 19

All the competent authorities, each one within its sphere of jurisdiction, shall implement the provisions of this Law by Decree, which shall enter into force as of the date of its promulgation and shall be published in the Official Gazette.

Promulgated in the city of Ramallah on March 31st, 2020 *Anno Domini*,

Corresponding to Sha'ban 7th, 1441 *Anno Hegira*.

Mahmoud Abbas

President of the State of Palestine

Chairman of the Executive Committee of the Palestine Liberation Organisation