

Republic of Cameroon

Peace - Work - Fatherland

Law n° 2006 / 012 of the 29th December 2006 stating general regulations of Partnership Contracts.

After deliberations and adoption by the National Assembly, the President of the Republic publishes the law hereunder stated:

**CHAPTER I
GENERAL PROVISIONS**

SECTION 1:

The present law fixes the general regulations of Partnership CONTRACTS

SECTION 2:

- (1) The Partnership Agreement operates, within the framework of large scale technical and financial projects, the partnership relations between:

- A corporate body and one or many other corporate bodies;
 - A corporate body and one or many other private bodies
- (2) The Partnership Agreement is an agreement in which the State or any of its Representatives assign to a third party, for a certain period of time, in accordance with the duration of investments depreciation or approved financial clauses, part or full responsibilities of the following stages of an investment project:
- Conception Works or necessary equipment for the public service;
 - Financing;
 - Works and equipment transformation ;
 - Maintenance and servicing;
 - Operations or Management.
- (3) If need be, other service provisions converging to the mission which the PUBLIC CONTRACTOR is assigned to, can also be requested from a third party in the framework of the partnership agreement.

SECTION 3:

The PUBLIC CONTRACTOR's contracting partner shall manage works to be achieved. He can partake of part or full conception of the job.

SECTION 4:

Without prejudice of provisions of the present law, as well as those provided in the partnership agreement clauses,

the operating companies and their contracting partners are subject to the common law .

CHAPTER II.

CONTENT AND RESCOURSE CONDITIONS OF THE PARTNERSHIP AGREEMENT

1 - CONTENT OF THE PARTNERSHIP AGREEMENT

SECTION 5:

The partnership agreement embodies clauses in connection with:

- Its duration;
- Sharing of risks between the PUBLIC CONTRACTOR and his contracting partners
- The performance targets assigned to the contracting partner, mainly those concerning the quality of services, the quality of works and equipment, the conditions they are put at the disposal of the PUBLIC CONTRACTOR, and if need be, their level of acquaintance.
- The remuneration of the contracting partner; the conditions which are considered in terms of calculation, investment, functioning and financing costs, and if need be, the takings the contracting partner is entitled to, in carrying out various tasks, in order to meet the requirements of the PUBLIC CONTRACTOR; the reasons and clauses of variations in the course of the agreement and payment clauses, mainly when in a year, amounts owed by the PUBLIC CONTRACTOR to

the contracting partner and which are subject to penalties or sanctions deserve a compensation;

- The contracting partner's commitments to bind with the respect of transferring works and equipment to the public service through the PUBLIC CONTRACTOR who is in charge of meeting the requirements of the Public Service;
- The control and monitoring clauses of the running of the contract by the PUBLIC CONTRACTOR, with respect to the performance objectives as well as the conditions used by the contracting partner to call off other companies for the execution of the contract; his commitment to allot part of the contract to small and medium size companies and craftsmen.
- The obligations commissioned to the bearer of the partnership agreement when he call off subcontractors in the construction of works and equipment; to sign a bail for the payment of their services alongside with the work achievement;
- The applicable provisions if the contracting partner fails to meet the performance requirements;
- The conditions appealing for a codicil or, if there is no agreement, for a unilateral decision of the PUBLIC CONTRACTOR, to bring in modifications of some aspects of the contract or its cancellation, taking into account the PUBLIC CONTRACTOR's needs, technological innovations and modifications of financing conditions given to the contracting partner. The PUBLIC CONTRACTOR's control on the partial or full contract.

- In case of the contracting partner's defaults, the continuity of the public service is assured, mainly when the cancellation of the contract is decided.
- The transfer clauses to the PUBLIC CONTRACTOR, at the end of the contract, of works and equipment;
- The obligation of the owner of the contract to subscribe an insurance covering all the risks..;
- The conditions of the environment impact studies and preservation clauses;
- The consequences at the end of the contract, anticipated or not, of the ownership of works and equipment;
- The prevention clauses and settlement of conflicts and the conditions, if need be, to call upon an arbitration in accordance with the Cameroon law;
- The obligations in connection with the transfer of technology, training and use of the Cameroon workforce.

II - RESCOURSE CONDITIONS TO THE PARTNERSHIP AGREEMENT

SECTION 6

(1) The partnership agreement can be approved, only if the implementation of projects which were efficiently assessed by the PUBLIC CONTRACTOR before the signing procedure:

- shows that, owing to the complexity of the project, the PUBLIC CONTRACTOR is not able to define alone and in advance technical means likely to fulfil his

needs or to build a financial and legal framework of the project, or if the project requires an emergency action;

- Exposes with precision economical, financial, legal, administrative frameworks which were taken into account further to a comparative analysis in terms of global costs, performance and risks sharing, different options to be considered at the signing session of a partnership agreement.
- (2) The call for tender procedure is absolutely preceded by the counsel's opinion of the Minister in charge Finance.

SECTION 7

The assessment provided for in Section 6 above shall be carried out by an expert body whose organization and functioning shall be laid down by decree of the President of the Republic.

CHAPTER III

SELECTION MODE OF THE CONTRACTING PARTNER AND CONDITIONS OF PERFORMANCE OF THE PARTNERSHIP AGREEMENT

I - SELECTION MODE OF THE CONTRACTING PARTNER

SECTION 8

- (1) The signing of the partnership agreement is subject to principles of free access, fair treatment of applicants,

objectivity of competition and transparency procedures.

- (2) The public call for tender is launched by the Public Authority. It is preceded by an advertising campaign calling for several bids in the conditions provided by a decree.
- (3) However, even in case a single application, it is examined in accordance with the provision of Section 9 hereunder.

SECTION 9

- (1) The selection of the contracting partner undergoes the following steps:
 - The preselection;
 - The pre-qualification dialogue
 - The adjudication
- (2) On the basis of documents provided by candidates, the preselection is carried out to put aside higher qualified technical and financial bids which meet the requirements of the PUBLIC CONTRACTOR.
- (3) The pre-qualification dialogue is a consultation between the PUBLIC CONTRACTOR and preselected candidates in order to set down technical means as well as the financial and legal framework likely to meet the PUBLIC CONTRACTOR's requirements. Furthermore it helps to know the capacities and experience of the candidates.
- (4) The adjudication is the final step of the selection procedure of the bids and the designation of the contracting partner

- (5) The selection clauses of the PUBLIC CONTRACTOR's contracting partner are decided by decree.

SECTION 10

- (1) The contract is assigned to the candidate whose bid is economically good value.
- (2) The attribution criteria include the costs of the bids, the performance objectives defined in accordance with the subject of the contract and the share of the contract's realisation the candidate want to assign to small and medium size companies or local craftsmen.
- (3) Other criteria in connection with the subject of the contract can be considered, mainly the technical and innovating value of the bids, the achievement deadline of the works or equipment, their aesthetic or functional quality.

SECTION 11

- (1) Bidders for the contract cannot be:
 - Legal entities whose leaders have been convicted for the last five years for any crime or misdemeanour;
 - Legal entities that are undergoing legal liquidation or being legally care taken or being subject to equivalent procedures governed a foreign law.
 - Legal entities who, on the 31st December of the previous year which was the launching year of the contract, didn't settle their tax and social obligations.
- (2) Provisions of the present Section are applicable to candidates as well as their members.

SECTION 12

- (1) As soon as the contract is attributed, the PUBLIC CONTRACTOR informs the other candidates that their bids were rejected.
- (2) The contract is notified to the selected bid before the start of the execution.
- (3) When he suspends the signing of the contract, the PUBLIC CONTRACTOR informs the candidates who are free to claim for compensation in conformity with clauses of the decree.

II - CONDITIONS OF EXECUTION OF THE PARTNERSHIP AGREEMENT

SECTION 13

- (1) When a contract assigns to the contracting partner part or full conception of the works, the contracting partner is bound to identify a team of contractors in charge of the conception of works and the monitoring of their realisation, to require an architectural project if they concern buildings and civil engineering works, in order to assess their quality and consider it as a criterion of contract attribution.
- (2) When the PUBLIC CONTRACTOR assigns part of the conception of works to the contracting partner, he himself can call upon a team of contractors for the conception of his share.

CHAPTER IV

TAX, FINANCIAL, LAND AND REAL STATE PROVISIONS

I - FINANCIAL AND TAX SYSTEM

SECTION 14

The partnership CONTRACTS and the PUBLIC CONTRACTOR's contracting partner's performance are subject to a specific financial and tax system fixed by the law.

SECTION 15

Transactions carried out in the partnership agreement are subject to the exchange system in force in Cameroon and benefit from guarantees attached to them.

II - LAND AND REAL ESTATE SYSTEM

SECTION 16

Land and real estate operations carried out within the partnership agreement are subject to the laws and regulations in force in Cameroon.

SECTION 17

When the contract occupies a public estate, it stands as an authorization of occupation in the course of its duration. The owner of the contract has the rights connected with the works and equipment. These rights entitle him to the owner's prerogatives and obligations, in the conditions and limits defined by the clauses of the contract with the aim to guarantee the integrity and the transfer of the public domain.

CHAPTER V SANCTIONS

SECTION 18

(1) The PUBLIC CONTRACTOR can take sanctions against the contracting partner's default without prejudice of legal prosecution, if after notification of the contract or at any time of its execution, it appears that:

- the partner has willingly hidden or distorted information which has led to his selection;
- the clauses of the contract are not respected

(3) Applicable sanctions and the procedure resulting from them are determined by a decree.

CHAPTER V FINAL, TRANSITIONAL, AND VARIOUS PROVISIONS

SECTION 19

Conditions of designation of the person empowered to sign contracts, on behalf of the State or any of its members are fixed by decree.

SECTION 20

Contracts signed before the publishing date of the present law remain in force during the time it was contracted.

SECTION 21

Application clauses of the present law are fixed by decree.

SECTION 22

The present law shall be recorded and published in accordance with emergency procedures, then enclosed in the official gazette in French and in English.

Yaounde, the 29th December 2006

THE PRESIDENT OF THE REPUBLIC
Paul BIYA