The National Assembly deliberated and adopted,
The President of the Republic hereby enacts the law set out below:

Chapter I
General Provisions

Section 1: This law lays down the rules and regulations governing partnership contracts.

Section 2: (1) Partnership contracts shall govern, within the context of extremely large-scale technical and financial projects, partnership relations between:
- public corporations and one or more other public corporations;
- public corporations and one or more private corporations.
(2) The partnership contract shall be one whereby the State or one of its structures entrusts a third party, for a specified period depending on the duration of depreciation of investments or the chosen financing arrangement, with the responsibility of all or part of the following phases of an investment project:
- designing of structures or equipment for public service purposes;
- financing;
- construction;
- transformation of structures or equipment;
- servicing or maintenance;
- operation or management.
(3) Where applicable, other services which contribute to the discharge, by the public corporation, of the public mission for which it is responsible, may also be entrusted to third parties under a partnership contract.

Section 3: The contracting Partner of public corporation shall be project owner of the Works to be undertaken. It may be entrusted with the design of all or part of the structures.

Section 4: Subject to the provision of this law, as well as the clauses of the partnership contract, operating enterprises and their subcontractors shall be subject to the rules of ordinary law.

Chapter II
Partnership Contract Contents and Conditions

I - Contents of Partnership Contracts

Section 5: Partnership contracts shall of necessity comprise clauses relating to:
- their duration;
- conditions for risk-sharing between the public corporation and its contracting party;
- performance objectives assigned to the contracting party, especially with regard to service quality, quality of structures and equipment, conditions under which they are handed over to the public corporation and, where necessary, their level of usage;
- remuneration of the contracting party, conditions for taking into account separately and calculating investment, operating and financing costs and, where applicable, the receipts which the contracting party may be authorized to procure by using the structures or equipment to meet needs other than those of the contracting public corporation; the reasons and conditions for their variations throughout the duration of the contract and payment conditions, specially conditions under which, each year, the sums due by the public corporation to its contracting party and those owed by the latter as penalties or sanctions are offset;
- obligations of the contracting party aimed at guaranteeing the assignment of the structures and equipment to the public service to which the contracting public corporation is answerable and respect for public service requirements;
- conditions for monitoring and supervision of the performance of the contract by the public corporation, especially respect for the performance objectives, as well as conditions under which it honors its commitment to award part of the contract to small-and mediums zed enterprises and to craftsmen;
the obligation of the partnership contract holder, where the construction of structures and equipment is subcontracted, to constitute a deposit guaranteeing payment for the services provider as work progresses;
- provisions applicable in the event of breach of obligations, in particular contracting party failure to meet performance objectives;
- conditions Under which an amendment may be terminated, failing agreement, by unilateral decision of the public corporation, in particular so as to take into account the changing innovations or changes in the financing conditions obtained by the contracting party;
- the control exercised by the public corporation over the partial or total transfer of the contract;
- condition under which, in the public corporation over the part of the contracting party, public service may be maintained, specially where the contract is terminated;
- condition for transferring structures and equipment to the public corporation at the end of the contract;
- obligation for the contract holder to take out an insurance Policy to cover risk;
- conditions Under which environmental impact assessment are conducted and conditions for their preservation;
- consequences of the early or regular termination of the contract, in particular with regard to ownership of the structures and equipment;
- dispute prevention and settlement conditions and conditions under which necessary, according to Cameroonian law;
- obligations relating to technology transfer, training and employment of Cameroonian labor;
- conditions of validity and entry into force of the contract.

II - Partnership Contract Conditions

Section 6 : (1) The partnership contract may be concluded only for the execution of projects for which an assessment by the public corporation, carried out prior to the launching of the procurement procedure:
- shows that, considering the complexity of the project, the public corporation is unable to define, on its own and in advance, the technical means required to meet its needs or to make the project’s Financial or legal arrangements, or that the project is urgent;
- clearly sets out the economic, financial, legal and administrative reasons which, after comparative analysis, notable in terms of overall cost, performance and risk-sharing and various options, led to the choice of the planned project and to the decision to launch a partnership contract award procedure.

(2) The partnership contract may not be awarded without the reasoned opinion of the Minster in charge of 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
Contracting Party Selection Method and Partnership Contract Execution Conditions

I - Contracting Party selection Method

Section 8 : (1) Signing of a partnership contract shall be subject to the principles of free access, equal treatment of candidates, objectivity in procedures, competition and transparence.

(2) The public call for competition shall be initiated by the public authority. It shall be preceded by an advertisement that enables the presentation of several competitive bids under conditions laid down by decree.

(3) However, even in case of a single candidate, its examination shall remain subject to the procedure provider for in Section 9 below.

Section 9 : (1) Selection of the contracting party shall involve the following stages:
- short-listing;
- pre-qualification dialogue;
- award.

(2) Short-listing shall consist in selecting, on the basis of documents presented by the candidates, the most technically and Financial qualified bids that meet the needs of the public corporation.

(3) Pre-qualification dialogue shall be discussion between the public corporation and the short-listed candidates, with a view to defining the technical terms, as well as the most suitable legal and financial
arrangement to meet the needs of the public corporation. It shall also enable ascertainment of the experience and tested Professional capacities of the candidates.

(4) Award shall be the outcome of the bid selection procedure through the naming of the contracting party.

(5) Conditions for the selection of contracting parties of the public corporation shall be laid down by decree.

Section 10 : (1) The contract shall be awarded to the candidate who submitted the most economically advantageous bid.

(2) Contract award criteria include the overall bid amount, the performance objectives defined according to contract purpose and the share of contract performance that the candidate undertakes to entrust to local small and medium-sized enterprises or craftsmen.

(3) Other criteria, concerning contract purpose, may be adopted, notable the technical value and the innovative nature of the bid, the structures or equipment execution period, their aesthetic or operational quality.

Section 11 : (1) The following may not bid for a partnership contract:
- corporate bodies whose managers have been convicted in the past five years of a felony or misdemeanor;
- corporate bodies under liquidation by order of the court or admitted for legal redress or having been under equivalent procedures governed by a foreign law;
- corporate bodies which, as at 31 December of the year preceding that when the call for bids was issued, have not fulfilled their fiscal and corporate obligations.

(2) The provisions of this section shall be applicable to corporate bodies which submit bids as well as those which are members of a group of candidates.

Section 12 : (1) Once the successful bidder is know, the public corporation shall inform the other bidders of the rejection of their bids.

(2) Unsuccessful bidders may be compensated under conditions laid down by decree;

(3) The contract shall be notified to the successful bidder prior to any commencement of execution.

(4) Where the public corporation calls off the contract award, it shall notify the candidates.

II - Conditions of Partnership Contract Performance

Section 13 : (1) Where a partnership contract entrusts a contracting party with all or part of the designing of structures, the contracting public corporation shall be bound to identify a project owner team responsible for designing the structures and monitoring their execution, requesting construction documents, for bids relating to buildings and civil engineering structures, in order to be acquainted, with the overall quality of the structures concerned as an additional criterion for contract award.

(2) Where the public corporation entrusts only part of the designing to the contracting party, it may, on its own, call on a project owner team to handle the part of the designing under its responsibility.

Chapter IV

I - Fiscal and Financial Regime

Section 14 : Partnership contracts and services rendered by the contracting party of the public corporation shall be subject to a specific and stable fiscal, Financial and accounting regime laid down by law.

Section 15 : Transactions carried out under the partnership contracts regime shall be subject to the exchange regime in force in Cameroon and shall enjoy the related guarantees.

II - Land Tenure and State Property Regime

Section 16 : Land tenure and State property operation carried out as part of a partnership contract shall be subject to the laws and regulations in force in Cameroon.

Section 17 : Where the contract entail occupation of public property, an authorization shall be required for the
occupation of such property for its duration. The contract holder shall, except otherwise specified in the contract, be entitled to rights in rem on structures and equipment constructed by it. Such rights shall confer on the contract holder the privileges and obligations of proprietor, under the conditions and limits defined by the contract clauses aimed at guaranteeing the integrity and allocation of the public property.

Chapter V
Penalties

Section 18: (1) The public corporation shall be authorized to take sanctions against the defaulting contracting party, without prejudice to legal proceedings against the latter, where it is established, after notification of the contract or at any time during its execution, that:
- the partner willingly concealed or manipulated information that favored his selection;
- the partner fails to honor contract clauses.

(2) The sanctions applicable and the related procedure shall be determined by decree.

Chapter VI
Miscellaneous, Transition and Final Provisions

Section 19: Conditions for the appointment of the person authorized to sign partnership contracts, on behalf of the State or one of its decentralized structures, shall be laid down by decree.

Section 20: Partnership contracts signed before the date of enactment of this law shall remain in force for the duration for which they were signed.

Section 21: Conditions for the implementation of this law shall be laid down by decree.

Section 22: This law shall be registered, Publisher according to the procedure of urgency and inserted in the official gazette in English and French.

Yaoundé, 29 December 2006
The President of the Republic
Paul BIYA