

REPUBLIQUE DU CAMEROUN
Paix-Travail-Patrie

REPUBLIC OF CAMEROON
Peace-Work-Fatherland

SERVICES DU PREMIER MINISTRE

PRIME MINISTER'S OFFICE

SECRETARIAT GENERAL

SECRETARIAT GENERAL

**PRESS RELEASE FOLLOWING CABINET MEETING OF
THURSDAY 28 JUNE 2018**

Yaounde, 28 June 2018

The **Prime Minister, Head of Government, His Excellency Philemon YANG**, this Thursday 28 June 2018 chaired this month's Cabinet Meeting at 9 a.m. at the Prime Minister's Office.

The meeting was attended by the Vice-Prime Minister, Ministers of State, Ministers, Ministers Delegate and Secretaries of State.

Two items featured on the agenda:

1. Statement by the Minister of Finance on *innovations brought about by the reform of the status of companies and public establishments*;
2. Statement by the Minister Delegate at the Presidency in charge of Public Contracts on *common rules applicable to contracts awarded to public companies*.

Following the introductory statement of the Head of Government, the Minister of Finance stated that the reform of the legal framework governing the portfolio of State-owned establishments and companies has been enshrined in two separate laws. The first is Law No. 2017/010 of 12 July 2017 to lay down the general rules and regulations governing public establishments and, the second is Law No. 2017/011 of 12 July 2017 to lay down general rules and regulations governing public corporations. The objective of this reform is to improve the services offered and the competitiveness of public companies, in line with the development objectives of Cameroon and the shortcomings observed in the application of Law No. 99/016 of 22 December 1999 on the general rules and regulations governing public establishments and public and para-public enterprises. *With regard to public establishments*, innovations recorded include (i) the diversification of the possible forms these establishments can adopt, with a possible extension to the financial, educational and social sectors; (ii) the definition of control mechanisms conferred on authorities with technical or financial supervisory powers; (iii) the improvement of functional governance, by compelling these establishments to develop budgets that are coherent with the strategic instruments of the State.

Concerning public companies, changes made show that Cameroon complies with international standards, in particular the revised OHADA Uniform Act of 30 January 2014, relating to commercial companies and economic interest groups. Other innovations concern the establishment of internal mechanisms to ensure greater flexibility in the management of public companies and the clarification of the responsibilities of the directors of State-owned companies in the management of public funds. To ensure the implementation of this reform, the Minister of Finance mentioned the definition of rules applicable to contracts awarded to public companies, the ongoing drafting of specific texts establishing various categories of public companies and establishments, as well as the compliance of existing structures with the new regulations.

Taking the floor after the Minister of Finance, the Minister of Public Contracts stated that Decree No. 2018/355 of 12 June 2018 to lay down the general rules and regulations governing contracts in public enterprises is an extension of the reform on public sector establishments and companies initiated in 2017. He underscored that these rules have been prompted by the fact that public companies are no longer subject to the Public Contracts Code. Hence the need to (i) prevent divergent procedures for similar entities; (ii)

promote cost-effective principles for companies concerned by optimizing the cost of acquisition of their goods and services and; (iii) guarantee their competitiveness by shortening deadlines and easing procedures.

The Minister of Public Contracts went on to reveal that the general rules and regulations governing contracts in State-owned enterprises fall in line with the respect of public procurement and governance principles. They equally aim at making the companies more competitive. These principles hinge on competition, equality in the processing of tender files, transparency of procedures and quest for the fair price. Concerning governance and proper management, the major innovation is the possibility to strip any director of a public company of his authority to award contracts in case of repeated violation of the rules and regulations governing the activity.

The Minister of Public Contracts concluded his statement by highlighting the rules likely to strengthen competitiveness within State companies. To this effect, he stressed on (i) the collaboration that must be established between the Board and Management of these companies; (ii) the recognized expertise of the managers of these public enterprises to set the threshold for purchase orders based on their operating constraints; (iii) the possibility to resort to requests for quotation and other simplified procedures.

After ensuing discussions, the Head of Government instructed the Minister of Finance to institute a permanent framework for consultation involving public establishments and enterprises. He equally enjoined him to oversee the training of members of the various management bodies of public entities to enable them to fully play their role. To the Minister of Public Contracts, the Prime Minister instructed that all necessary measures be taken to ensure ownership of the electronic public procurement process by all enterprises concerned.

The meeting ended at 11:30 a.m.-

28 JUN 2018

Yaounde, _____



Secretary General,
Prime Minister's Office

Seraphin Magloire FOU DA