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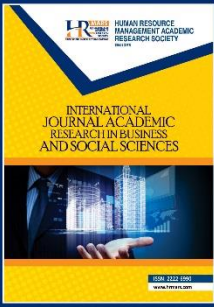
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## Discrimination of Consortium Contracts from Other Contracts

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### Abstract

The Consortium Agreement is one of the most important forms of interim federal agreements and is in fact, a combination of federal agreements between several investors, whether natural or moral, and the researcher has therefore examined what the Consortium is, its origins and advantages, the legal nature of the Consortium and then the characteristics of the Consortium, its types and how it has expired. Finally, the researcher studied it with some findings and suggestions.

**Keywords:** Consortium Agreements, Contracts, Public Administration, Projects.

### Introductio

The public administration when it needed to establish large projects concluded an administrative contract with a general contractor, and this contractor was subcontracting with specialized companies that take the status of subcontractors in the contract, and the work is divided among them, and this continued until the late 1950s, where the modern contracts that emerged in that era related to the establishment of major projects for the benefit of the state to be implemented, including the design and construction of major factories and reach them to the volume of production Ideal as well as the establishment of roads, bridges and specialized projects in the field of hazardous materials such as materials with radioactivity and chemicals, and was carried out through a foreign investor associated with the administration with an administrative contract, this method was of great importance in many countries of the world, especially in developing countries and was a way to know those countries technical knowledge, and not only for those temporary unions to the foreign investor but also national.

The consortium agreement is one of the most famous images of the temporary federations in the field of administrative contracts and is of great importance since it ensures coordination between the efforts of its members and the consolidation of their technical and financial capabilities in order to contract with the public administration through one joint tender, and the implementation of projects contracted with the administration by uniting those efforts, which is a temporary agreement where it ends once the project that has been formed to implement it is completed and despite the lack of independent legal personality and capital and lack of responsibility Solidarity between its members and towards others, but its

members are responsible for solidarity towards the public administration contracted to preserve the rights of this administration, and the consortium agreement differs from other federal agreements such as the company and contractual joint ventures and brings together economic interests, and that it is forced to spread in the field of administrative contracts, but there is ambiguity still in its testicles and concept, hence the study seeks to discuss the different aspects of the consortium contract to clarify its ambiguity and show its importance.

### **Study Problematic**

Despite the importance of the consortium agreement as a picture of the temporary unions in the field of administrative contracts and despite the need of public administrations in countries, especially public administration in developing countries, including Arab countries, to contract with this form of temporary unions because of the large number of projects to be completed in those countries and the inability of one person, whether natural or legal, to accomplish them alone, However, the concept of the consortium remains unclear and has characteristics that it is supposed to illustrate, but it is unclear and is often confused with some similar cooperative agreements.

### **Study Objectives**

This study mainly aims to clarify:

- 1- To state the legal concept of the consortium agreement, by defining it, its importance and determining the legal nature of it by distinguishing it from similar agreements, and determining its implications.
- 2- Clarifying the different characteristics of it.
- 3- To indicate the most basic principles to be observed in the drafting of this agreement.
- 4- To show the most important problems facing the parties with regard to responsibility.

### **The Importance of the Study**

1. The study of administrative contracts is necessary and vital, as the consortium agreement is one of the contracts or agreements through which the economy of developing countries is moved and promoted to the ranks of international producers.
2. The importance of choosing the subject of the study is highlighted in the fact that we will try to achieve two benefits: one practical and the other scientific and legal. The practical benefit is that it is linked to a contractual treatment that has become a reality that cannot be ignored; our Arab reality is full of it.
- 3- Introducing stakeholders and officials to the role played by this agreement, through which major projects that contribute to economic growth are implemented, especially in light of the economic conditions experienced by the Arab countries.
- 4- The scientific and legal benefit of verification by discussing the legal aspects of the agreement and showing the legal implications of its parties with regard to solidarity responsibility.
- 5- It also enables researchers to benefit from this study in terms of information that the consortium agrees on and its different aspects.

### **What is the Consortium?**

The consortium agreement is one of the most important forms of temporary federal agreements and is a federal agreement between several investors, whether Physical persons or juristic persons, aiming to participate in the implementation of joint work for the benefit

of the administrative body contracted, and it is in practice the prevailing that the administrative body desire to contract is one of the public administrations in developing countries that do not have the potential of crisis and complicate with some foreign investors who are often auspicious Investors from developed countries who have the material and technical resources to implement are joining forces in the form of a consortium agreement. (Al-kasasbeh, 2019: 99)

Documents needed for establishment of a consortium, the basic documents needed for the establishment of the consortium are: a letter of intent, agreement on the establishment of a consortium, the consortium enactments and strategic plan. The Letter of Intent is the result of international business practices, as this form of business is not regulated by law (Ivanovic, 2014: 3)

Classification and grouping of typical contents were carried out in the legal literature on the basis of the state of business practice; possible contents of the letter of intent are: a) Identification of the objectives that the participating parties are seeking to achieve, the time sequence and schedule for the negotiations, location of the negotiations and participants; b) Issues on which an agreement has been reached and issues on which there are different attitudes; c) Establishing mutual obligations in regard to issues on which a consensus has been reached; d) Predict the content of future agreements as well as the manifestation of willingness to enter into it, depending on the fulfillment of certain conditions or the occurrence of certain events. Basically, a letter of intent shall have the same legal effect as the contract or the fulfillment of the obligations of the contract. If a letter of intent contains some obligations, in the event of nonperformance, there is a possibility of damage compensation on the basis of general civil liability for damages (Ivanovic, 2005:4)

Meaning and scope of the term the consortium is a form of contractual connection (association), usually of companies, for joint realization of investment projects. The consortium agreement determines the rights and obligations of members: the division of work, performance schedule, costs participation, decision-making in the consortium, liability for failure to work, recourse etc. Members of the consortium may designate someone among themselves to be the representative and authorize him to represent consortium in relation to third parties, but in relation to the investor they generally guarantee solidarily both as lenders and borrowers. A consortium may be temporary (appropriate for the execution of just one particular undertaking) or permanent (due to multiple joint involvements of members in collective investment undertakings). Depending on the possibility of accession of new members, a consortium can be "open" and "closed" (Ivanovic et al., 2014: 2)

The consortium is a term derived from the Latin term consortia, which refers to several meanings, including cooperation, participation, and joint ownership, all of which are involved in the technical meaning of it, and therefore in its legal nature (Al-Anzi, 2009: 211)

The consortium has been widely used in international trade relations since the 1950s, particularly in the international construction industry, to describe images of international cooperation between international contractors when they wish to contract jointly (Srieddine, 1999: 9)

This picture is one of the most detailed images when implementing public works contracts because this type of administrative contract corresponds to the legal nature of such agreements, which have a temporary nature, as are all federations of the interim agreement as it consists to carry out a specific work or purpose, which is the implementation of the administrative contract that was unionized among the parties of the consortium for its

implementation, Public works contracts are not long-term contracts as a commitment contract, so implementing them on the consortium is one of the best ways to achieve their goal in record time.

There are several doctrinal trends that have tried to define it, including: some show that when a consortium is founded, a separate legal entity is not formed, given that, according to the Article 637, section 2 of the Croatian Obligations Law, "Partnership is a community of persons and goods without legal personality". In this context, it is important to mention that, if the contract does not expressly provide otherwise, the Consortium is regulated according to the provisions of the partnership contract, as decreed by the Obligations Law. Along with the consortium, other possible forms of partnership are joint ventures as well as clusters. (Ivanovic, 2005). The basic principles of the consortium are: a common goal, voluntary approach, a right to decision-making, management and supervision, investment capital, participation in gains and loss, limited solidarity (Ivanovic et al., 2014: 2).

The definition that goes into an agreement under which two or more parties are obliged to coordinate with each other and use their technical and financial capabilities, to engage in negotiation or tender with the contracting party, and then implement the contract in a manner that guarantees them, each member in his or her internal relationship with other members is solely responsible for carrying out part of the work, and the consortium agreement is not the nucleus for creating a moral personality or even for the formation of an independent economic entity (Skieddine, 1999:9).

From the previous definition, we find that the agreement of the consortium is an agreement aimed at implementing a particular project for the benefit of the administrative body that is contracted, and the agreement ends as soon as the work is carried out by the consortium for the benefit of that administrative body, which indicates that the agreement has been formed and formed mainly to enter into a tender or negotiation with the administrative authority to retire with it.

Another trend is to define it as a contractual arrangement between several companies that jointly undertake to undertake a joint venture without merging into an independent legal entity (Bahgat, 2000: 43).

The previous definition focuses on the fact that the agreement is concluded between a group of companies and that we do not recognize the validity of this because these agreements may be natural or moral persons, while the consortium is only a union of companies, and although many jurists have adopted the same approach, they have defined the consortium as a consensual grouping of several companies, which is not endorsed by many opinions.

There are those who defined it as a picture of joint ventures and determined by an agreement between several shareholders belonging to more than one country to establish an independent joint entity, where none of the shareholders often loses its independent personality and the consortium engages in an activity of an international character in nature because it is in the interest of the parties to exercise it collectively, whether for the economic return of profits or for the possibility of providing a service, Or the nature of the activity itself, which is difficult to achieve except by combining the efforts and potential of multiple projects so that these multiple people are intermarried to be the joint venture (Juma, 2003:134).

The researcher believes that this definition limited the consortium contract to the list of types of joint projects and was not considered by one of the types of union interim agreement.

Some define it as a contract for cooperation between two or more projects, each with its legal, financial, and administrative independence to implement a joint project in connection or solidarity with them, and to carry out joint works or services for their common benefit or

the benefit of others, and often related to the supply of tasks necessary expertise for complex economic activity such as large industrial construction and civil works necessary to build arcades, airports, and ports and search for oil, extraction and marketing, mining operations and non-existent raw materials, for industry and others. (Shaheen, 2000:267).

Some define him as an agreement with a dual status as a moral person with persons who represent him and contract in his name, and have private capital and independent liability and has an international status, which makes him such as international companies that have their legal character, which is based on the agreement between the parties (Cartou, 1963:155).

The researcher believes that the attempt to establish the moral personality on the consortium agreements is contrary to the legal nature of such agreements, which are established without resulting in the emergence of any moral figure when they arise.

### **The Genesis of the Consortium**

When risks increased and spread to the global economy and markets, it was necessary to think of a kind of cooperation that would help overcome crises and challenges that could dominate a limited company, try to provide for the needs of companies, and coordinate the skills, resources, and expertise they shared, the ability to enter global markets, and the ability to compete fairly between companies.

### **The Fundamental Framework of Establishing a Consortium**

The basic framework of the establishment of the consortium is: a) Process of negotiating and establishing the basic principles of cooperation, b) Documents for the establishment of a consortium, c) Organizational and management structure of the consortium. (Ivanovic et al., 20014:3).

The process of negotiation Establishment of consortium must begin with negotiations, which are very important, because in the beginning the basic principles of collaboration need to be set and a strategy based on goals needs to be determined. These are then easily defined in documents necessary for consortium establishment and the definition of its organizational and management structure. Clear rules and principles are a prerequisite for the functioning of the consortium; this means that there must be a good regulatory framework and good will of all parties involved to strictly comply in working according to the rules. Therefore it is important that from the very beginning of the process of negotiation all potential consortium members are involved so that they can take a position on the draft of all documents - keeping in mind the common goal of future cooperation (Ivanovic, 2005: 4)

### **Benefits of the Consortium**

The consortium has many advantages that we summarize as follows:

- The Consortium is a good legal template for establishing cooperation between parties of one nationality or multinationals.
- The consortium is easily and quickly established, as it does not comply with the rules and controls of the establishment of companies.
- The consortium system establishes a kind of role distribution and integration between its parties, particularly in light of the current progress and development.

This system leads to a kind of cooperation in which each party is integrated with its potential and expertise.

### **The Legal Nature of the Consortium**

There was a variety of jurisprudence in determining the legal nature of the consortium, and their word did not agree to put it in a legal form that combines its characteristics, some viewed it as an actual company, and some considered it a real company, a company or a joint-stock company, and some described the agreements (consortium) as a joint liability company when the necessary pillars and elements of the company were available.

Others consider that the legal nature of the consortium varies depending on the nature of its work and whether such work is temporary or continuous for a long time. If the purpose of the consortium is one purpose and needs to be implemented for a specified and temporary period, it may be considered a quota company, as long as the project has a manager responsible for carrying out the work, and the project does not have the address or name of a company or capital where none of the shareholders often loses their independent personality, and the consortium engages in an activity of a character, international in nature, because it is in the interest of the parties to exercise it collectively, whether for the economic return of profits, for the possibility of providing a service, or for the nature of the activity itself, which is difficult to achieve except through the concerted efforts and possibilities of multiple projects. (Al-Akili, 2012: 56)

The researcher considers that if the purpose of the consortium is one purpose or a set of interrelated purposes and is continuous for a long time, it is considered a real company if the partners have the intention to participate, and the shares paid by each of them are determined capital for the project, in which case the project has a legal personality, even if it is not known following the legal procedures set by law for the Advertising of companies.

The researcher also considers that it cannot be considered a real company, because (the consortium) does not collect the objective conditions and pillars necessary to form the company, nor does it have the liability of legal persons required for realty companies, and at the same time cannot be considered (consortium companies union) an actual company, because the actual company is the will of its partners from the beginning destined to establish a company, and they collect the pillars and formal procedures required by law.

Nor can the consortium be considered a holding company because the company is defined as: "A contract under which two or more persons are obliged to contribute to a financial project by providing a share of money or work to share the profit or loss that may result from this project", and therefore the company is considered a company between partners, as this company has no capital or address, and is considered a hidden company for others, and does not have the juridical personality of the company, unlike the consortium) It's An announced, not a hidden partnership (Al-Akili, 2012:94).

Such agreements are also contracts of a special nature, not like other contracts, because they arise as a result of the cooperative nature of the members and with the aim of implementing the joint work for which the consortium agreements were established, as were all other federal agreements (Fawzi, 2016:184).

### **The General Acts of Consortium are the Statute, Regulations, Rules, etc.**

This document regulates the structure of the consortium based on the accepted legal status of the consortium, governing structure, responsibilities, and scope of work, the governing body of the consortium, and the criteria for membership in the consortium. What other regulations will be adopted by members of the consortium depend on the size of the business venture, the number of members, and other elements. The strategic plan is an essential element of connecting members in the consortium; it is a long-term program of development

of business ventures based on a predetermined common goal, which is the purpose of their association in the consortium. (Vilim, 1997: 50).

- Organizational and management consortium structure: the organizational and management structure of the consortium depends on the size of the business venture, the number of members and other elements. Thus, for example, a consortium of a large investment project with a large number of members will have an Assembly, an Executive Committee, and Expert Committees for specific issues and/or permanent expert groups. Smaller Consortia will structure its organizational form according to its specific requirements. (Ivanovic, 2005: 6).

### **Characteristics of the Consortium**

#### **The Enemy of having a Common Capital of the Consortium**

One of the most important advantages that distinguish the Consortium from other federations is the lack of financial liability of its own, there is no separate financial liability through which it can open an account in the bank in the name of the Union because when it arises each of its members has its capital dedicated to carrying out the specified part of the work or submitting it to one of the administrative bodies that are contracted (Al-kasasbeh, 2019:116).

Nevertheless, there are some joint expenses among the members of the Union, which are divided by the amount of contribution of each member to the executive work, so the bank account to which it has is on behalf of the members and not on behalf of the union as a whole (Sreddie, 1996:39).

#### **Lack of Solidarity Responsibility among its Members**

The consortium agreement determines the relationship between its members and the members agree when they form it to determine the rights and obligations of each member, i.e. the contract agreement regulates the nature of the relationship and the provisions of contractual responsibility between its members, where the intention to participate is absent from the legal persons, which means participation among all in the profits and losses that may affect the legal person. The loser loses alone, and accordingly, there is no solidarity in the internal responsibility of the members of the consortium towards each other. Each member is solely responsible for carrying out their part of the work so that when there is an error in implementation, the responsibility for this falls on the executing member who makes the error on his part (Srieddine, 1996:41).

The members do not share among themselves in the profit or loss that results from the implementation of the works. Rather, each member has an individual responsibility in their relations with each other. Just as each member is solely responsible for the implementation of the specified part of the work, but there is a joint responsibility between the members and the contracted administrative authority, where the participation is between the administrative body and the union members in case of profits or losses.

#### **Lack of Solidarity in Responsibility towards Others**

Perhaps one of the consequences of this is that when prosecuting, judicial or arbitration litigation is between third parties and the member who has been dealt with, so it is not permissible to sit down the union as a whole in such matters, and therefore when harm is done to one of the others, it is not permissible to refer to the Union as a whole, because it does not have a moral legal entity independent of the personalities of its members, This



means that others must return compensation for the damage done to the member for which the damage was caused without referring to the Union as a whole. (Rahman, 2019:119)

Despite this, some believe that the contractual obligations that the members of the consortium have about others are considered solidarity and personal. This must be expressly included in the contract between the consortium and others, and that the basis of this contractual liability to the non-contracted person is the agency, since the leader of the consortium or the chairman of the board of directors, when contracted on behalf of the members, is considered their agent. Naturally, the effectiveness of the contractual relationship depends on the extent of the powers of the agent of the consortium and this agent is asked based on this before the rest of the members under the rules of the agency. (Ammar, 1995:77)

While others believe that the link between the responsibility of Chairman of the Consortium Federation and other members towards the non-contracted is that the agreement of the leader of the consortium with others is achieved by the other members, if it is clear from the terms of the agreement between the representative of the consortium and others that he contracts for himself and others to carry out the work he contracts to carry out. (Shaheen, 2000:270).

The researcher considers that the consortium may be considered a solidarity liability before the non-client, whichever has been said in the process of adapting the relationship between the consortium and others, i.e. whether this relationship can be adapted on the basis of the agency's rules or on the basis of the rules of the fiddly, which is what international action has established. One of the consequences of the lack of solidarity in liability towards others is that when prosecuting, judicial or arbitration litigation is between third parties and the member dealing and it is not permissible to sit down the union as a whole.

## **Types of Consortium**

### **Horizontal Consortium**

This agreement is intended to give the right of all its members to sign the contract between the members and the administrative body that contracts with them and therefore each of them has a solidarity responsibility under this union that has been made between them, and each of its members is entitled to a direct relationship between him and the administrative authority contracting with them.

### **Vertical Consortium**

In it, only one member of the Federation signs with the other contracting administrative body, provided that the member is represented and responsible for the rest of the members in the face of the contractor.

**Simple Federation of Companies:** It means a situation in which the work of members is technically economic in the foundation of independence among themselves, each member has a role to play on the independence of the rest of the members.

**The Coordinating Union of Companies:** It expresses a structure, through which cooperation is carried out among members concerning the control of their work, where there is no independence in the performance of the work, but there is coordination and there is no responsibility of solidarity between members towards others but with the contracting administrative authority.

### **The Integrated Federation of Companies**

The Federation shall be an integrated structure that performs all functions on behalf of the members, the relationship exists between the union of companies as a party and the contracting party as another party and does not show the parties entering the union. This type of union is aimed at establishing easy access to global markets, reducing risk, reducing competition, learning, and technology transfer (Abdullah, 2018:242).

The legal nature of the consortium shows that there is a clear difference between the holding company or others and the consortium because the companies have the formal and objective conditions necessary to create what the Union collects from conditions or requirements, for example, that companies, whether companies of funds or persons, have formal conditions such as company contract, writing conditions or monthly procedures and establishment, and objective conditions such as satisfaction, locality, and eligibility. All these legal provisions differ from the consortium, because they represent a kind of alliance and cooperation only, and do not collect such conditions and pillars (Abdelhamid, 2005:67).

The Union is also established in a temporary form from the beginning and is for a limited period and is for the purpose of implementing a contract or project so that the members agree to implement the project specified at a time when the union ends other than the companies, the origin of which is not for a temporary or specified period.

Here it can be said that concerning capital, it is an important and essential element for companies as any company requires its capital, which consists of the total shares provided by the partners of the company, and the shares provided by the partners become owned by the company once it is submitted and the owner is out of the ownership of the partners, as the companies as moral entities independent of the personality of the partners have moral personality and therefore have financial liability separate from the financial liability of the partners but it is the order. For the consortium, its judgment is different as such agreements do not have joint capital, so there are no posts or quotas provided by members, but joint implementation by members without having a common capital of the consortium, where implementation is carried out by spending each member of its capital. This meant that there was no separate financial liability for him, unlike the companies.

This difference arranges a difference in the legal provision between the companies and the consortium agreements, namely, the absence of participation in the expenses required for implementation among the members of the consortium as each member bears the necessary expenses for his part of the business, but for the companies, the company's capital makes the members jointly committed to meeting the expenses necessary to carry out the company's purposes.

Also concerning the rules governing liability, we find that for the responsibility of members of the consortium agreements, it is an unlimited, solidarity and multiple responsibilities in the face of the administrative body contracted, i.e. all members are responsible in solidarity in confronting them, other than the provisions of responsibility in companies, where the responsibility is shareholders in joint-stock companies and authorized partners are limited by the limits of their capital contribution. Also, legal differences between companies and consortiums concerning liability provisions are the provisions of special liability towards others, since each member of the consortium is responsible for individual liability towards the air in the activity issued by that member, the Union does not entail solidarity and multiple

responsibilities of members towards the non-client of the Union as a whole, This is the result of the work issued by any member since the member is responsible separately from the responsibility of other members towards that third party because the responsibility of the members of the consortium is a non-solidarity responsibility towards others. Who has the right to deal on behalf of the company and for its account? (Al-kasasbeh, 2019:125).

### **The Expiry of the Consortium**

The Union is close to many companies with regard to its initiatives and structure, and the provisions of the Union provide for the controls and procedures of the moral person such as registration in the commercial register and naming, so the expiry and expiry provisions are the same as the provisions of the expiry of the moral person in general, but with regard to the privacy of this union that the contract is often established in order to implement a particular project and therefore subject to these reasons that the contract is subject to these reasons that the contracts generally expire.

### **Normal Expiry**

The union agreement is often concluded to implement a particular project and this is by two or more companies by sharing the work of the project and distributing the terms of reference between them and sharing the profits obtained from the project as well, each according to its share and percentage of participation in the implementation of the union projects, and therefore the completion and implementation of the stages of the project for which the agreement of the Union of Companies is a natural end, This agreement may also be concluded for a specific time and is provided for in the agreement between the members of the Union and by the prescribed term it is also a natural end to the Union.

### **Abnormal Expiry**

Since the Union is a contract established between several parties, like other contracts it may be overwhelmed by emergency circumstances or force majeure that prevent it from being completed and these circumstances affect the completion of the projects concluded for which the Union makes it impossible and therefore the contract expires or breaks because it cannot be implemented and these circumstances are:

A- The death of a member of the Union in which he participated in his natural person or the dissolution of a moral person who is a member of the Union.

(b) A collective decision by the members of the Federation to conclude the contract before the purpose for which it was created was achieved.

C- A judicial decision to dissolve the Union.

D- Losing a member's eligibility or bankruptcy.

E- The impossibility of implementation.

Multinational companies are also different from the holding company, the holding company, and the multinational project: a holding company may be established where the parent company is based in a particular country, and its subsidiaries manage projects in countries other than the parent company, thus exercising the role of a multinational project, but there is a fundamental difference between the holding company and the multinational project since the term multinational project is an economic expression called legal units located in more than one active country. Economically certain in those countries, and that these units may take different forms, the main center may be a company or an office of a manager who manages projects in multiple countries operating under different formations. Some consider

the multinational project to be multiple entities, each with its own independent identity and independent home, but all are under one central management. (Wallance, 1982:4).

The multinational project may also arise through a regular relationship; that is, in the form of multiple companies whose relationship is regulated by certain legal rules, such as a holding company, and may arise from a contract relationship imposed by certain circumstances, such as the unit operating in one State in need of technology, or funds available to one unit in another, contracted to invest in an economic project in a third State.

The multinational project may be established under an international agreement between two or more States to establish a group that invests in more than one country, International Companies. Article (207) of the Jordanian Companies Act prohibits holding companies from being established in the Hashemite Kingdom of Jordan under agreements concluded by the Government of the Kingdom of Jordan with other governments, Arab or international organizations, in cases not provided for in its founding agreements, or its contracts and founding systems, from all of the above, shows that the concept of the multinational project is broader than that of the holding company, where the holding company is a type of multinational project (Ismail, 1990:37).

### **Conclusion**

By discussing the study of the consortium Agreement in the field of contracts and identifying the concept and characteristics of the Consortium Agreement and what distinguishes it from other similar agreements, the study found that the consortium agreement differs from other contracts in some jaws and agrees in other aspects, most notably the legal nature of the consortium agreement, the study has reached many findings and suggestions, the most important of which are:

### **Study Findings**

Through the study's discussion of the Consortium Agreement in the field of administrative contracts and the identification of the concept and characteristics of the consortium and what distinguishes it from other similar federal agreements, the study reached a number of findings, the most important of which are:

1. The Consortium Agreement is one of the forms of federal assemblies, the Interim Agreement when contracting with the Public Administration, which is an agreement between several members who may provide natural persons with a living purpose who meet for a temporary purpose and aim from their temporary group to coordinate with each other and use and standardize their technical and financial potential for the purpose of entering into a tender, negotiation or contract with the administration through a single joint tender and aiming to implement the project when the tender is anchored on them in the same group that submitted the joint tender. Although these agreements are common in administrative contracts, their concept and speciality are somewhat vague.
2. The consortium is reflected on the ground through several forms and jurists have differed in adapting the consortium agreements and the fact that these agreements are contracts of a special nature, as they are created as a result of the cooperative nature of the members and with the aim of implementing the joint work for which the consortium agreements were established.
3. It does not have a legal personality independent of the personality of his members, nor does he have a financial liability separate from the financial assets of each of its members and

has no independent capital and solidarity among its members in their relations with each other and in their relations with others, but is limited to their relations with the contracted administration.

4. It differs from other similar federal cooperative agreements such as a company with independent moral character and financial disclosure separated from the partners and which need procedures for publicity and registration in the commercial register, where we note that all these provisions do not apply to the consortium as well as to contractual joint ventures, which are very similar to it, but there are many different provisions, including that the responsibility of members of contractual joint ventures is a solidarity and multiple responsibility towards others other than others. The situation for the consortium is different from the pool of economic interests that can be formed without the availability of capital.

5. Consortium agreement is a combination of federal agreement between many investors (natural or moral ones).

6. Consortium agreement helps facilitating projects implementation through dividing work, and coordination between investors; it also aims to implementing particular project for the benefit of the administrative body.

7. Consortium agreement is one of the best method found in term of cooperation that would help overcome crises, challenges, coordinate skills and resources, as well as it is a system leads to such cooperation in which each party is integrated with potential and expertise.

8. Consortium maybe considered as a real company, if parties have the intention to participate, and the capital for the project could be collected by the shares paid by each of them, in this regard the project has a legal personality, however, at the same time consortium could not be considered as a real company, as it does not collect the objective condition and pillars necessary to form the company, as the intention of the parties went to establish such company.

### **Study Suggestions**

In light of the above, the study suggests:

.1. The legislator must pass legislation containing the legal system of the consortium and explaining how it is formed, the legal provisions to which it is subject, the rights of its members and their obligations to public administration.

2- The public administration should also encourage the method of agreement of the consortium in the administrative contracts concluded with it, especially if the contracted project is one of the large, important and vital projects for the state, because it guarantees concerted efforts by several members, including foreign companies with expertise and technical and material capabilities, which ensures the desired development in the state, It is also advisable to provide facilities and exemptions.

3- The field of administrative law must conduct in-depth studies on the consortium agreements that include clarifying their nature and characteristics to remove all confusion, especially since they are not known much in the Arab countries despite the need for them in order to encourage financial and technical cooperation between its members.

4- Shed more light on the responsibility of solidarity in the contracts of the consortium.

5- The letter of intent is not enough in regard of consortium agreement; such agreement should be governed by legislation.

6- Some definitions of the consortium agreement limited such agreement to the list of types of joint projects, but rather consider it as one of the types of union interim agreement.

7- Consortium is a process needs to be put in a legal frame since the begging of negotiations between parties until the implementation of projects.

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