

CONCESSIONS

Concessions are governed by the Law on Public-Private Partnership, Act on Certain Concession Contracts and various other items of special legislation.

A concessional partnership covers private investment in projects of public interest; and the public co-financing of private projects in the form of so-called 'building' or service concessions; e.g., under BOT (Build-Operate-Transfer) and similar schemes (BTO, BOO, BOOT, DBFOT, DBF, BOR, BRT/BLT etc.) The applicable general principles for these procedures are the principles of transparency, competition, efficiency, protection of intellectual property rights, co-operation and non-discrimination (foreign partners enjoy national treatment), including the principle of continuity in the execution of PPP after a concession has been granted.

A concession may be awarded to foreign investors – legal and natural persons – whether they are operating across borders or through a company (including a *Special Purpose Company/Vehicle - SPC/V*) or a branch office registered in Slovenia.

Private partners may also apply for a concession through consortiums or an unincorporated grouping (under applicable laws) such as a contractual joint-venture (JV) involving foreign and/or local partners that must be jointly and severally liable (the engagement of experienced local partners and consulting firms in these complex project procedures is strongly advised).

The private ownership of natural resources is prohibited but the legislation does not discriminate against foreign investors when it comes to obtaining a concession for the exploitation of renewable or non-renewable natural resources or public goods.

On the basis of a particular *Concession Act*, government, local authorities or other public partners (concession providers) may grant concessions regarding natural resources to the most successful applicant, namely the tenderer (concessionaire) with proven capacities and capabilities in relation to their management, exploitation or utilisation (priority in public tenders is given to owners of land on which the natural resources are located).

In principle, a concession is granted after the appropriate payment of royalties/concession fees. In demographically endangered areas concessions may be granted free-of-charge, while deferred payments may have to be properly guaranteed.

A concession shall be granted on the condition that the requirements of the Law on Environmental Protection are fulfilled. Moreover, Concession Agreements always follow the environmental guidelines that are more or less determined case-by-case in Concession Acts.

Concessions on public goods and concessions for public services (e.g., supply of drinkable water and water cleaning, communal waste disposal, maintenance of municipal roads, graveyards, public transportation etc.) are granted to eligible legal or natural persons if the criteria set by special laws and/or government or local authorities for engaging in such activities are satisfied. Concession rights may only be transferred on the basis of and to the extent provided by the Concession Agreement, otherwise the prior approval of the concession provider is necessary.