

BOT model of public-private partnership in infrastructure investments

SUMMARY

Public-private partnerships are becoming increasingly popular in the performance of public tasks, especially infrastructure projects. Popularization of the use of capital and knowledge of the private sector to execute the investments belonging so far to the public sector has led to the creation of different partnership models. The BOT (build-operate-transfer) model is one of the most popular. What BOT stands for is sufficient to understand its essence. It involves the use of economic and organizational potential of a private partner for the construction of a public facility. Then, such entity recovers incurred costs and provides a suitable rate of return through the use of such a building under a granted license. When the license expires, the rights to operate a building return into the possession of the public entity. The paper is of the illustrative character. In the introduction the author describes a legal basis of a partnership and a legal status of its participants. Then, on the basis of legal regulations the execution process of BOT investment is presented, together with potential benefits and costs related with the application of such a model.

KEYWORDS: public-private partnership, BOT model, infrastructure investments