

Европейска инвестиционна банка	Europos investicijų bankas
Европейска инвестиционна банка	Europejski Investični Bank
Bank Europejski Inwestycyjny	Bank Europejski Inwestycyjny
Европейска инвестиционна банка	Europejski Bank Inwestycyjny
Европейска инвестиционна банка	Banco Europeu de Investições
Европейска инвестиционна банка	Banca Europeana de Investiții
Европейска инвестиционна банка	Europejska inwestycyjna banka
Европейска инвестиционна банка	Europejska Investičijska banka
Европейска инвестиционна банка	Europejski Investičijski bank
Европейска инвестиционна банка	Europejska Inwestycyjna banka

In advance by facsimile +359 2 987 05 81

Ministry of Finance  
102 Rakovski Street  
1040 Sofia  
Bulgaria

For the attention of: Ms Boryana Pencheva Deputy Minister

EXP RET - EIS  
001654 18 FEB 11

Luxembourg, 18.02.2011

OPSA/SEE-2/2006-0411/JMM/mb

Ref:

Subject: Bulgaria EU Funds Cofinancing 2007-13 FI-no. 24.277 (the "Credit Agreement")

Reference: Your letter no. 03-00-1158 dated 30.08.2010

Dear Ms Pencheva,

We refer to the subject Credit Agreement and the referenced letter in which Bulgaria, *inter alia*, requested that Projects supported under the Operational Programme Regional Development ("OPRD") should also become eligible for financing under the scope of the Credit Agreement. Terms defined herein shall have the meaning given to them in the Credit Agreement except otherwise provided for herein.

Further to your written request as per Recital (2)(iii) the Bank's services have reviewed the OPRD and the relevant related information and we are pleased to confirm to you that Projects supported by EU grants under the OPRD are now eligible for funding under the Credit Agreement under the following parameters:

- Projects in the sectors of urban development and social housing, urban transport infrastructure, regional transport, ICT, gas pipeline, renewable energy and energy efficiency, other small scale infrastructure investments as well as initiatives directly related to the preparation of investments and enhancement of absorption capacities financed from technical assistance are acceptable and can be financed under the Credit Agreement. Some of the sectors are acceptable provided specific conditions or requirements are met. All Projects, in line with the provisions of the current Credit Agreement, have to be reviewed or appraised ex-ante (i.e. prior to disbursement).

- Projects in education, health and social infrastructure as well as marketing activities will not be financed under the Credit Agreement. However, should there be a request from the Bulgarian authorities to support investments in the education and health sectors, the Bank would launch an appropriate due diligence potentially resulting in an individual (single-sector) operation.

The allocation provisions of article 1.01A & B would apply and - inasmuch as these provisions are related to the Projects - the particular undertakings of article 6 and the information requirements per article 8 would apply as well.

We hope this satisfactorily addresses your request and we look forward to an increase in allocation requests proposed by the Bulgarian authorities.

Yours sincerely,

EUROPEAN INVESTMENT BANK



J.-M. Martin



K. Doerfler