

Българска инвестиционна банка	Europos investicijų bankas
Българска инвестиционна банка	Európská Banka investícií Banka
Den Europrisjekts Investeringsbank	Bank Europejska Inwestycyjna
Europäische Investitionsbank	Europesa investeringsbank
Europa Investicijų bankas	Européjská Banka investiční
Egyptian Development Bank	Banco Europeu de Investimento
European Investment Bank	Banka Evropského investičného
Banco Europeo de Inversiones	Europska investičná banka
Banque européenne d'investissement	Européiski banka investícijski
Banca europea per gli investimenti	Europenská investiční banka
Eiropas investīciju banka	Europelská investeringssbanken

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

EWI
001654
REF ID: EWI
10 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 Programmes 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).

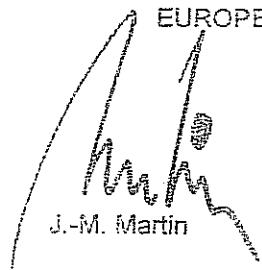
- Projects in education, health and social infrastructure as well as marketing activities will not be financed under the Credit Agreement. However, should there be a request from the Bulgarian authorities to support investments in the education and health sectors, the Bank would launch an appropriate 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. Doenfley