FINANCING MEMORANDUM

The European Commission, hereinafter referred to as "THE COMMISSION", acting for and on behalf of the European Community, hereinafter referred to as "THE COMMUNITY"

on the one part, and

The Government of the Republic of Bulgaria, hereinafter referred to as "THE RECIPIENT"

on the other part,

HAVE AGREED AS FOLLOWS:

The measure referred to in Article 1 below shall be executed and financed out of the budget resources of THE COMMUNITY in accordance with the provisions set out in this Memorandum. The technical, legal, and administrative framework within which the measure referred to in Article 1 below shall be implemented is set out in the General Conditions annexed to the Framework Agreement between THE COMMISSION and THE RECIPIENT, and supplemented by the terms of this Memorandum and the Special Provisions annexed hereto.

ARTICLE 1 - NATURE AND SUBJECT

As part of its aid programme, THE COMMUNITY shall contribute, by way of grant, towards the financing of the following MEASURE:

Programme number: BG 2004/016-917
Title: 2004 Phare Special Programme to Support the Decommissioning of Nuclear Power Plants and Consequential Measures in the Energy Sector in Bulgaria
Duration: Until 30 November 2006

ARTICLE 2 - COMMITMENT OF THE COMMUNITY

The financial contribution of THE COMMUNITY is fixed at a maximum of € 85 million hereinafter referred to as "THE EC GRANT".

1 The Financing Memorandum structure is as follows: 1. the coverpages with the references to the country concerned, amount and authority to sign; 2. Framework Agreement incl. Annex A and Annex B; Annex C - Special Conditions (the text of the adopted financing proposal starting from Description and Objectives onwards; and Annex D "Visibility/Publicity."
ARTICLE 6 - ENTRY INTO FORCE

This Memorandum shall enter into force on the date on which it has been signed by both parties. No expenditure incurred before this date is eligible for the EC GRANT.

The Annexes shall be deemed an integral part of this Memorandum.

Done at Sofia
Date 18.06.05
for THE RECIPIENT

Done at Sofia
Date 25/04/2005
for THE COMMUNITY

Encl.

2. Special Provisions (Annex C)
3. Visibility/Publicity (Annex D)