

Agreement

Between

- the Government of the Republic of Bulgaria

and

Ducroire/Delcredere the Belgian Export Credit Agency

on

a Debt for Investment swap scheme

The Government of the Republic of Bulgaria (hereinafter called "**The Government**")

and

Ducroire/Delcredere the Belgian Export Credit Agency (hereinafter called "**Ducroire**")

Considering the Agreed Minutes signed in Sofia on 26 September 2001 between representatives of the Bulgarian and the Belgian Government regarding the treatment of Bulgarian official debt to Belgium and the possibility of debt for investment swaps in relation thereto;

Considering the Agreed Minutes of 20 December 2001 between representatives **of the Government and Ducroire** regarding the creation of a framework agreement for debt for investment swaps;

Considering the letter of the Vice-President of the Paris Club of 13 July 2000 regarding debt swaps;

Considering the Bilateral Consolidation Agreements signed between **the Government and Ducroire** on 11.8.1992, 11.3.1993 and 1.2.1995 pursuant to the Paris Club Agreed Minutes of respectively 17.4.1991, 14.12.1992 and 13.4.1994;

Desirous to strengthen the trade relations between the Kingdom of Belgium and the Republic of Bulgaria to their mutual benefit;

have agreed as follows :

Article 1. Objectives

The purpose of this Agreement is to create a framework under which debt for investment swaps can be implemented and to determine the general conditions of implementation of such operations.

Article 2. Debt concerned

The debt eligible for conversion is the debt outstanding under the Bilateral Consolidation Agreements signed between **The Government** and **Ducroire** as referred to in the preamble. The debt is presently amounting to approximately 12 million EUR and is listed in Appendix I hereto.

Article 3. Assignment of the debt to Belgian investors

Ducroire is entitled to assign to Belgian investors all of its rights in relation to the debt mentioned in Article 2 hereabove, i.e. all unpaid amounts in principal, matured and unmatured, as well as the amounts in consolidation interest accrued until the effective date of assignment and not paid.

Before such an assignment can be effectively executed, **Ducroire** will have to inform the Ministry of Finance of Bulgaria of the assignment operation and the Ministry of Finance of Bulgaria will have to give its prior permission thereon.

Assignment of debt will be executed by means of a duly signed Deed of Assignment. This Deed of Assignment will be transmitted by **Ducroire** to the investor against payment of the purchase price.

The purchase price to be paid by the investor to **Ducroire** will amount to 100 % of the face value of the debt assigned.

Within 3 working days after the effective date of assignment, **Ducroire** will notify the Ministry of Finance of Bulgaria through a duly executed Notice of Assignment.

Article 4. Conversion of the assigned debt into investment

The Government and the investors will agree on the conditions of the conversion on a bilateral basis, being understood that (1) the conversion shall be in conformity with the Paris Club debt swap clause provided for in the letter of the Vice-President of the Paris Club of 13.7.2000 referred to in the preamble and (2) **the Government** and the investor will agree on the amount to be paid by the Government in local currency for the debts and on the specific incentives granted by the Government in consideration of the investment and taking into account the specific nature of it.

Article 5. Entering into force

The present Framework Agreement enters into force at the date of its signature.

Article 6. Governing law and Dispute settlement

This Agreement shall be governed and construed according to Belgian Law.

All disputes arising in connection with the present Agreement shall be settled in an amicable way.

Done in Brussels, on *18-01-2002*, in two originals in English.

For **The Government of
the Republic of Bulgaria,**



Milen Veltchev
Minister of Finance

For **Ducroire,**



C. Vincke
Director