

UNOC 1962/26.06.2009



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL  
REGIONAL POLICY  
Interventions in Bulgaria, Cyprus, Greece, Hungary, Romania, IPA/ISPA  
The Director

*Handwritten notes in blue ink:*  
"ar" "in" "Bakel" "one" "of" "the" "others" "DG" "leg" "20" "1007" "with" "M. Natan" "13.07.09" "1007" "with" "M. Natan" "13.07.09" "1007" "with" "M. Natan" "13.07.09"

Brussels, 26.06.2009\*005269  
REGIO I2/VN/vr D(2009) 930202

Dear Mr Chakarov,

**Subject: Allegations for conflict of interest in the tender for the water infrastructure project in Dulovo and corrective measures for the selected water projects under the Operational Programme Environment 2007-2013**

Please find enclosed a number of print-outs of web-based articles containing serious allegations against the handling of a tender procedure carried out under the Operational Programme Environment. The tender in question relates to the construction of water supply and sewerage network in the town of Dulovo.

As you will see, the Mayor of Dulovo, acting as a representative of the employer, allegedly signed a works contract with a company, in which his brother holds a key position. Moreover, the selected company supposedly has no previous experience with this kind of works, whereas two of the other bidders, whose offers were lower than the one of the winning company, were disqualified, as their implementation plan was evaluated to be not feasible.

Considering the seriousness of these allegations, it is essential that you act swiftly and with consequence to establish the facts. With a view to protect the public investments, we advise you to suspend payments to the project, until the issue has been thoroughly investigated.

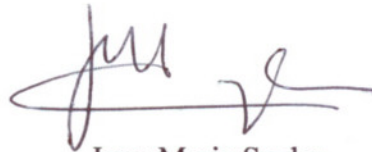
Please also note that Dulovo was already singled out by the Commission Services as one of the projects presenting a risk of inefficient use of tax payers' money, as expressed in my letter to you of 16.03.09. While the analysis of the above mentioned projects is still ongoing, it has already now been established that the Dulovo project is not only marked by high per capita costs but also seems to feature high unit costs, in as far the amount of physical infrastructure to be constructed is limited, as compared to the available budget.

Minister Dzhevdet Chakarov  
Ministry of Environment and Water  
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BULGARIA

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We accordingly call on you to accelerate the investigations of all projects belonging to the same category (high unit costs; high per capita costs, as measured by the matrix now filled in by all municipalities) and to propose, if necessary, corrective actions before 15 July 2009.

Yours sincerely,



Jean-Marie Seyler

Encl.: Print-outs of web-based articles

C.c.: Ms M. Plugchieva, Deputy Prime Minister of Bulgaria  
Ms B. Pencheva, Central Coordination Unit, Ministry of Finance  
Mr M. Pasca-Raymondo, DG Regional Policy, Deputy Director-General  
Ms L. Andersson Pench, DG Regional Policy, J2