



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Directorate A - Energy policy
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Dear Mr

Thank you for your email dated 5 December 2016 to which I have been asked to reply. I would like to assure you that the Commission facilitates the process of the development of main cross-border projects in the region so as to boost competition, security of supply and sustainability. A fully interconnected European energy network involving the neighbouring countries of the Energy Community is one of the key preconditions for delivering the goals of the Energy Union.

With reference to the gas projects that you have mentioned, let me begin by recalling that, based on *the Recommendation of the Ministerial Council of the Energy Community (R/2016/01/MC-EnC): on projects of mutual interest between Contracting Parties and Member States of the European Union*, two interconnections between Bosnia and Herzegovina and Croatia (an interconnection Licka Jesenica-Trzac-Bosanska Krupa and an interconnection Zagvozd-Posusje-Noví Travník with a main branch to Mostar) are included in the list of PMI (projects of mutual interest). Moreover, TAP gas pipeline is on the EU list of PCI (projects of common interest).

The PMI list is a result of a careful assessment of all submitted projects focused on their expected costs and benefits. Each PMI might benefit from preferential treatment as regards permit granting and regulatory regime at the national level as guaranteed under the Regulation (EU) 347/2013 which was adopted in the Energy Community. Improved administrative governance at the level of the Contracting Parties should facilitate all the necessary steps to be taken in order to prepare good and mature projects ready to attract investments. The progress achieved in the process of implementation will be monitored and subject to reporting obligations within the framework of the working groups created

in the Energy Community. If necessary, recommendations to facilitate the implementation of the projects will be made to help with the progress.

In this light it is important to note that the experience from the Energy Community framework and the Western Balkan 6 process shows that most often the main obstacle to achieve significant progress is not the lack of available financing for the investments in the region, but rather the absence of mature and well justified projects.

From the Commission side we are closely monitoring progress on the PMI process which is coordinated by the Energy Community Secretariat in Vienna. I trust the above clarifies our position on the issues that you have raised.

Yours sincerely,

Head of Unit