From: INEA CEF GAS

To:

Subject: Action 7.1.1-0007-ELAZ-S-M-17 "Pre-FEED, Reconnaissance Surveys and

Strategic and Economic Evaluations of the Trans-Caspian Pipeline"

Attachments: Draft GA_7.1.1-WHITE STREAM.docx

Dear

Following the call for proposals of 26th April 2017 concerning projects of common interest under the Connecting Europe Facility in the field of energy, on 25th January 2018 the CEF Coordination Committee has given a positive opinion on a list of Actions proposed for funding.

We are happy to inform you that this list also includes Action 7.1.1-0007-ELAZ-S-M-17 "Pre-FEED, Reconnaissance Surveys and Strategic and Economic Evaluations of the Trans-Caspian Pipeline"

For your information, you will find at the bottom of this email the overall comments regarding the proposal as provided by the Evaluation Committee. Information regarding the marks awarded to the proposal may be communicated upon request.

Without prejudice to the final decision to be taken by the European Commission in the coming weeks, and in order to facilitate the next steps, please find attached a first draft version of Annex 1 of the Grant Agreement for your review. We would be grateful to receive your comments and/or modifications on this draft by 9th February 2018 in order to accelerate the preparation and signature of the Grant Agreement.

I take this opportunity to request that you provide us with the following information:

- The name and title of the person who will sign the Grant Agreement;
- The contact details and the name and title for the official contact persons.
- The following information in relation to comments made during the evaluation of the proposal:
 - Cooperation with Azerbaijan, in the framework of the current Action, should be demonstrated
 - More details should be provided regarding the on-going coordination activities with Turkmenistan and Georgia
 - Better justify the allocation of resources to the planned activities
 - A more comprehensive description of the project management team, as well as the ex-post monitoring should be provided
 - The implementation plan, as well as the means of verification should be revised and confirmed
 - The procurement linked to activities should be clarified

During the kick-off meeting we will furthermore clarify:

- The procedure for obtaining and submitting a financial guarantee, needed for prefinancing;
- The 'Brexit warning policy' for beneficiaries established in the UK which applies in this case.

Furthermore, we would like to invite you for a meeting on 15 February 2018 at 14:00-17:00 at INEA premises in Brussels. The purpose of this meeting will be to clarify any open questions on the revised Annex I and draft Grant Agreement, for you to provide us with an updated presentation of the envisaged Action and to discuss a number of specific elements concerning its implementation (objectives, description of activities and milestones, etc.). Depending on your preferred arrangements, a video conference could alternatively be organised to serve the same purpose (if this is the case please let us know).

For planning purposes, we would be grateful to receive confirmation of your availability for the meeting by 9th February 2018.

I would like to highlight that this e-mail does not constitute a formal commitment by INEA or the European Commission to provide financial support to the envisaged Action. This will depend on the successful conclusion of the grant preparation process. I would like to draw your attention to the fact that you will not acquire any rights until all parties have signed the grant agreement.

For further correspondence, please always indicate the Action code, i.e. [7.1.1-0007-ELAZ-S-M-17] in subject and only use the functional mailbox INEA-CEF-GAS@ec.europa.eu (please don't reply to this EC ARES NOREPLY email address).

Please do not hesitate to contact me should you have any questions or clarifications on this matter.

I look forward to your reply at your earliest convenience.

Best regards,

"OVERALL COMMENTS PROVIDED BY THE EVALUATION COMMITTEE: provided by the Evaluation Committee: The action, i.e. the Pre-FEED, Reconnaissance Surveys and Strategic and Economic Evaluations of the Trans-Caspian Pipeline study is considered mature and represents the next logical step in the development of the PCI. The Trans Caspian Pipeline (TCP) project will branch-off at a connection with the East-West pipeline or for the first stage from a collection point of the offshore Caspian production/treatment in Turkmenistan. The action consists of 12 activities, mostly foreseen as in house desk-top. The action has a significant cross-border dimension and intensive coordination activities are on-going with Turkmenistan and Georgia, although cooperation with Azerbaijan has not been demonstrated. The need for EU co-funding is estimated to be necessary to enable a timely construction, as well as to give a signal to potential, future investors. The execution of the Action would be a clear signal to the involved stakeholders and investors that the EU is pursuing the full opening of the potential of the Southern Gas Corridor. The proposal is recommended for funding."

Project Manager – C4 CEF Energy

European Commission

Innovation and Networks Executive Agency (INEA)

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