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ANNEX

Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe

Exceptional Assistance Measure regarding Venezuela

1. IDENTIFICATION

Action: Building towards an inclusive and sustainable negotiated solution and transition in Venezuela

Action Reference: NDICI CR 2021 / 45

Cost: EUR 650 000 (European Union (EU) contribution).

Budget Line: 14 02 03 10

Duration: Maximum 18 months. The authorising officer responsible may decide to extend this period twice by a further period of up to six months, up to a total maximum duration of 30 months, under the conditions laid down in Article 23(6) of Regulation (EU) 2021/947.

Lead service: FPI

2. ACTION SUMMARY

The current situation in Venezuela continues to be highly volatile and rapidly changing, with far reaching consequences for the region. The recent talks in Mexico between the Venezuelan government and a range of political opposition parties, facilitated by Norway and accompanied by international guarantor countries, offer a window of opportunity for a negotiated solution, the prospects of which were, previously, few and far between. Nevertheless, major challenges remain and the role of the international community, including the European Union, remains essential. Protecting and strengthening this fragile space for consensus building to progress towards a peaceful negotiated solution is crucial for the country itself, as well as for the region. This action will build on the results of the previous phase¹ by continuing to support ongoing local and international efforts to reach stability, inclusion and prospects for a sustainable, peaceful and negotiated transition in Venezuela.

¹ C(2020) 4079

3. BACKGROUND AND RATIONALE

3.1 BACKGROUND

Venezuela is going through a political, social, economic, and security crisis with a collapse of its oil industry, hyperinflation reaching 5,500% at the end of 2021, three in every four Venezuelans living in extreme poverty, a dilution of the country's institutional set-up, an increasing closure of democratic spaces, and continued set-backs in efforts to forge a peaceful settlement.

The consequences are far reaching and more than 5,9 million Venezuelans having left the country since 2014². This is a challenge for the receiving countries, with Colombia in the frontline, followed by close neighbours such as Peru and Ecuador. The humanitarian situation continues to deteriorate dramatically, aggravated by the consequences of COVID-19 and with emergency levels of acute food insecurity. An estimated 14 million Venezuelans were in need of assistance already prior to COVID-19. The COVID-19 pandemic has exacerbated the needs for health, water, food, electricity, education.

Organised crime is on the increase in the country with a diversified portfolio of illicit activities with global reach and the presence of armed groups that are an immediate threat to regional security. Large swaths of the territory are said to be under the control of paramilitary and other irregular groups which fight for the control of lucrative smuggling and drug-trafficking routes as well as illegal mining in the south³. A further collapse of state institutions in Venezuela would risk a further increase in illicit activities (drug trafficking; human trafficking; smuggling; illegal trafficking of product of illegal mining such as gold and diamonds; activities of paramilitary groups and criminal gangs). This would affect not only the neighbouring countries, but regions well beyond the Caribbean and Latin America.

In Mexico, in August-September 2021, Venezuela led the start-up of comprehensive negotiations and an inclusive dialogue process, which was suspended in October. Nevertheless, there may still be opportunities for laying foundations for an agreed solution to the crisis. The EU-led International Contact Group continues to be a credible interlocutor supportive of re-opening such avenues of dialogue and negotiation. It remains important for the European Union to continue its engagement in Venezuela, in view of re-establishing confidence, promoting dialogue, supporting actors of change and strengthening the social fabric of the country. This action will build on the results of the previous phase funded under the Instrument contributing to Stability and Peace by continuing to support ongoing local and international efforts to reach a peaceful, negotiated solution, while also encompassing advance planning for the transition phase that is meant to follow. It is in line with the European Union's (EU) commitment to continue engaging and working with all stakeholders in Venezuela to foster peaceful dialogue and a democratic and sustainable solution to the crises in the country⁴ and the EU's decision to deploy an EU Election Observation Mission to observe the regional and local elections scheduled for 21 November 2021.

² [R4V](#), October 2021

³ [International Crisis Group, February 2020](#); [Human Rights Watch, January 2020](#)

⁴ [Council conclusions on Venezuela, 25 January 2021](#)

3.2 RATIONALE FOR CRISIS RESPONSE ACTIONS UNDER THE RAPID RESPONSE PILLAR OF THE NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT

The longstanding political, social and economic crisis, the ongoing political confrontation and the complex humanitarian crisis are all factors constituting an exceptional and unforeseen situation in the sense of Article 4(4) of the NDICI Regulation. An adequate response cannot be provided under any other European Union Instrument due to the urgency with which the funds are required and due to available resources already being firmly committed.

Annex IV, paragraph 1, second paragraph, points (a) and (e) of Regulation (EU) 2021/947 specifically provides for the use of the NDICI rapid response pillar to support, (a) through the provision of technical and logistical assistance, the efforts undertaken by international, regional and local organisations and by State and civil society actors in promoting confidence-building, mediation, dialogue and reconciliation, transitional justice, women’s and youth empowerment, in particular with regards to community tensions and protracted conflicts; and (e) international criminal tribunals and ad hoc national tribunals, truth and reconciliation commissions, transitional justice and other mechanisms for the legal settlement of human rights claims and the assertion and adjudication of property rights.

3.3 RISKS AND ASSUMPTIONS

<i>Type of risk</i>	<i>Description</i>	<i>Mitigation measures</i>
Political and security risks	Political risk – negotiations between the government and the opposition in Venezuela may break down.	Negotiation efforts between the government and the opposition have repeatedly opened and closed over the past 5 years. The risk of current talks not lasting is high. Nevertheless, under the assumption that a peaceful, negotiated solution is the most effective way to achieve inclusive, lasting settlement in Venezuela, dialogue efforts (track 2) can continue and become even more relevant in the absence of formal negotiations.
Operational risks	COVID-19 pandemic and related restrictions may create new limitations to local and international convenings. A worsening security situation in the country may limit the personal security of staff and members of the group of experts and restrict their movement.	The action’s deeply localised approach reduces its exposure to global risks. The group of experts effectively operated in virtual or hybrid formats during the first year of the pandemic and was able to adapt and even benefit from the virtual environment. If restrictions limit local and international convenings, increased focus will be placed on research informed by expert

		knowledge generated through virtual convenings.
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4. OBJECTIVES

4.1 OVERALL OBJECTIVE

The overall objective of the action is to help bring greater stability, inclusion, and conditions for sustainable transition in Venezuela.

4.2 SPECIFIC OBJECTIVES

- 4.2.1 To strengthen conditions for comprehensive, viable and inclusive dialogue and negotiation processes that could realistically lead to a peaceful transition out of Venezuela’s political, economic and social crises; and
- 4.2.2 To advance locally-informed reflection and planning on some of the key elements of Venezuela’s transition to democracy, rule of law, economic recovery and social inclusion, whose features are being shaped in and around the negotiation process.

5. ACTION COMPONENTS AND EXPECTED RESULTS

The main expected results/outcomes include:

Expected Result (1): Independent spaces for local reflection, brainstorming and idea formulation are maintained and expertise on negotiation and transition policy issues is shared amongst key stakeholders

Activities (indicative):

- 5.1.1 Organise regular meetings of the Venezuela Expert Group;
- 5.1.2 Organise meetings with international experts and key domestic stakeholders to transfer knowledge, lessons learned and know-how.

Expected Result (2): Inclusive narratives, policy analyses and recommendations are disseminated to key national and international audiences, including policy-makers, civil society and the general public are promoted.

Activities (indicative):

- 5.2.1 Draft policy analyses and recommendations grounded in local assessment and thematic and comparative research;
- 5.2.2 Organise outreach and communication activities targeting relevant national and international stakeholders.

6. IMPLEMENTATION

6.1 IMPLEMENTATION MODALITIES

The Commission will ensure that the appropriate EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁵.

6.1.1 Grant: direct award (direct management)

(a) Purpose of the grant

The grant will be used to achieve specific objectives 4.2.1 and 4.2.2 through expected results 1 and 2.

(b) Type of applicants targeted

The type of applicants targeted for this direct award are non-profit organisations.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because **the action entails crisis management aid as referred to in Article 195(a) and as defined in Article 2(21) of the Financial Regulation** at the date of the Financing Decision. The grant may be awarded without a call for proposals to the Institute for Integrated Transitions (IFIT).

6.2 INDICATIVE BUDGET

The total European Union contribution under this Financing Decision **will not exceed EUR 650,000**. A breakdown among components is provided hereunder, and is indicative.

Indicative budget breakdown

Components	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Component 1: <name 1> composed of 6.1.1 – Direct grant (direct management)	650 000	N.A.
Total	650 000	N.A.

6.3 ORGANISATIONAL SET-UP AND RESPONSIBILITIES

The action shall be implemented under direct management. It will be devolved and sub-delegated to the **European Union Delegation** Venezuela, with the support of the Commission for the conclusion of the contracts implementing the action.

⁵ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website, it is the OJ version that prevails.

6.4 PERFORMANCE AND RESULTS MONITORING AND REPORTING

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final report. Each report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and outcomes) as measured by corresponding indicators, using as reference the Logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

6.5 EVALUATION

Having regard to the nature of the action, evaluations will not be carried out for this action or its components.

The Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

6.6 AUDIT

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

6.7 COMMUNICATION AND VISIBILITY

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Requirements for European Union External Action (or any succeeding document) shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

7. COMPLEMENTARITY, COORDINATION AND FOLLOW-UP

The action will complement ongoing programmes funded by the Instrument contributing to Stability and Peace, and the Directorates General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) and International Partnerships (DG INTPA). A good understanding of the humanitarian dimension will be factored in the analysis undertaken by the group including through regular exchanges with DG ECHO.

It is expected that the implementing partner will report to the EU Delegation in Venezuela regularly, and brief the EU Political Counsellors whenever appropriate so that complementarity with EU-funded actions can be ensured, and insights shared with EU Member States.

Considering the shared objectives and mission of the Venezuela Expert Group and the EU-led International Contact Group, and their complementary roles, the Venezuela Expert Group will continue sharing its analysis and proposals for how to effectively advance towards a negotiated solution with the International Contact Group and its members. As such, the Venezuela Expert Group and its members will regularly meet with the EU and the countries included in the International Contact Group in Caracas and abroad, organise dialogue spaces and share written proposals to advance in achieving this joint objective.