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ANNEX

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

Exceptional Assistance Measure regarding the Republic of Moldova

1. IDENTIFICATION

Action:	Strengthening Public Service Delivery in an Environment of Destabilisation
Action Reference:	NDICI CR 2023/37
Cost:	EUR 12 000 000 (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

This 18-months exceptional assistance measure will provide support to the government of Moldova to ensure delivery of basic services in an environment characterized by destabilising factors. The measure also seeks to help ensure a safe environment for the independent conduct of the upcoming elections. Assistance provided may include strengthening internal security and civil protection preparedness with regard to targeted non- military threats, energy issues, and economic instability and provide access to basic services, such as health and education, in rural and vulnerable urban communities. Activities will cover the provision of equipment and resources for public service delivery in specific acute hybrid threat situations that are factors in destabilisation. They will also provide capacity building, and technical assistance to public authorities where relevant, and direct support to key stakeholders in rural and urban vulnerable communities through specialised organisations, which could include seed or storage supply to small farmers and other forms of support in line with government policies.

3. BACKGROUND AND RATIONALE

3.1 BACKGROUND

While the Republic of Moldova is not facing an imminent military threat, the country has to deal with targeted, non-military destabilisation efforts on a daily basis. Ahead of upcoming elections, illicit financial flows have become even more acute and while staged protests have in the meantime subsided, the likelihood of protests resuming to prompt social discontent cannot be excluded. Despite progress since the last winter, Moldova remains vulnerable as Russian attacks on energy infrastructure in Ukraine might cause disruptions in the inter-connected Moldovan energy grid. Moreover, high prices have pushed up production costs for farmers over the past year, further aggravating the impact of low production after two consecutive years of drought.

This complex set of challenges has an impact on the social fabric of communities and may affect the government's ability to effectively deliver public services to citizens, at a time when the country has entered three consecutive years of elections: local elections in November 2023, presidential elections in 2024 and parliamentary elections in 2025. The European Council underlined earlier this year that "the European Union will continue to provide all relevant support to the Republic of Moldova, including to strengthen the country's resilience, security, stability, economy and energy supply in the face of destabilising activities by external actors, as well as support on its accession path to the European Union".

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

The increase number of activities targeted at undermining the stability of the Republic of Moldova as well as further external destabilising factors, such as illicit financial flows or energy blackouts, constitute an exceptional and unforeseen situation in the sense of Article 4(4) (a) 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 (d), (f), (n) and (p) Regulation (EU) 2021/947 specifically provides for the use of the NDICI rapid response pillar to (d) support for the development of democratic, pluralistic state institutions, including measures to enhance the role of women in such institutions, effective civilian administration and civilian oversight over the security system, as well as measures to strengthen the capacity of law-enforcement and judicial authorities involved in the fight against terrorism, organised crime and all forms of illicit trafficking; (f) support for reinforcement of State capacity - in the face of significant pressures to rapidly build, maintain or restore its core functions, and basic social and political cohesion; (n) support for measures to promote and defend respect for human rights and fundamental freedoms, democracy and the rule of law, and the related international instruments, and (p) support for measures to address the potential impact of sudden population movements with relevance to the political and security situation, including measures addressing the needs of host communities.

3.3 RISKS AND ASSUMPTIONS

Risk	Risk level H/M/L	Mitigation measures
The hybrid threat environment may deteriorate the internal situation in the country drastically.	H	The implementing partners to be selected will be required to have experience with project implementation in volatile conditions and to quickly adjust activities according to changing needs.
Lack of coordination among donors resulting in duplication of efforts or inefficient allocation of resources.	M	Continued coordination among EU actors will be pursued and the action will specifically include provisions for improved donor coordination with the EU, EU Member States and other partners.

4. OBJECTIVES

4.1 OVERALL OBJECTIVE

The overall objective of the action is to strengthen the capacity of the government of the Republic of Moldova to continue delivering services and supporting the resilience of communities in an environment characterized by destabilising factors.

4.2 SPECIFIC OBJECTIVES

- 4.2.1 To strengthen the capacities of the government of the Republic of Moldova on countering threats towards its internal security;
- 4.2.2 To enhance the resilience of rural and vulnerable communities in the Republic of Moldova against destabilisation factors, including by improving access to basic services.

5. ACTION COMPONENTS AND EXPECTED RESULTS

The main expected results/outcomes include:

Expected Result (1): The capacities of the government of the Republic of Moldova to counter threats targeting its internal security are strengthened.

Activities (indicative):

- 5.1.1 Support to enhancing capacities of internal security actors in key areas, such as threat detection, analysis and response;
- 5.1.2 Provision of training to internal security personnel in key areas of the provision of internal security;
- 5.1.3 Procurement of specialised equipment including relevant software.

Expected Result (2): The resilience of communities in the Republic of Moldova facing destabilising factors is enhanced.

Activities (indicative):

- 5.2.1 Support to the identification and coordination of local stakeholders;
- 5.2.2 Conduct of community awareness-raising and education on hybrid threats and introduction early warning approaches at community level;
- 5.2.3 Support to local authorities for the identification of gaps and provision of key services to vulnerable communities.

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 measures¹.

6.1.1 Indirect management with a pillar assessed entity

This action may be implemented in indirect management with an entity which will be selected by the Commission's services using the following criteria: experience in providing support to Moldovan stakeholders at the national and local level, established networks and trust relationships with both government and civil society actors, ability to start operations immediately. The implementation by this entity entails the implementation of component 1, contributing to the achievement of expected results 1 and 2 and objectives 4.2.1 and 4.2.2.

Exception to the non-retroactivity of costs

The Commission authorises that the costs incurred may be recognised as eligible as of 1 November 2023 due to extreme urgency in crisis management aid or in situations of imminent or immediate danger to the stability of the Republic of Moldova, including by an armed conflict, where an early engagement of the Union may prevent an escalation.

6.1.2 Changes from indirect to direct management mode due to exceptional circumstances

In the unlikely event that exceptional circumstances beyond the Commission's control should make it necessary to change the implementation modality for the achievement of objectives 4.2.1 and 4.2.2, expected results 1 and 2 in section 5, from indirect to direct management, it would be implemented with a grant (direct award). The type of applicants targeted would be non-profit organisations and private companies.

6.2 INDICATIVE BUDGET

The total European Union contribution under this Financing Decision **will not exceed EUR 12 000 000**. A breakdown among components is provided hereunder, and is indicative.

¹ 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.

Indicative budget breakdown

Components	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Component 1: Support to Resilient Service Delivery composed of		
6.1.1. – Indirect management with a pillar-assessed entity	12 000 000	N/A
Total	12 000 000	N/A

6.3 ORGANISATIONAL SET-UP AND RESPONSIBILITIES

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

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, an evaluation 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

The 2021-2027 programming cycle has adopted a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

The 2022 "Communicating and Raising EU Visibility: Guidance for external actions" reference document shall be used to establish the appropriate contractual obligations.

7. COMPLEMENTARITY, COORDINATION AND FOLLOW-UP

The activities under this measure will be built on the experiences and lessons-learned from previous exceptional assistance measures providing support to resilience against non-military hybrid threats in the Republic of Moldova. It will be implemented in close coordination with, and complementarity to the other EU-funded development and humanitarian actions as well as the European Partnership Mission (EUPM) Moldova and support the implementation of the recommendations of the Hybrid Risk Survey conducted with Moldova.