

Addressing the impacts of the energy crisis in the Republic of Moldova**Period of implementation:** 01.05.2022 - 23.08.2024**EaP countries:**

Moldova

EU contribution: € 13 000 000**Total budget:** € 13 000 000**Implementing organisation(s):**

United Nations Development Programme

**Social media account links:****Project website:****Project description:**

Because Moldova lacks energy resources, it is almost fully dependent on imports of fossil fuels and electricity. Since October 2021, gas prices have increased significantly in Moldova due to both the latest developments on the regional energy markets caused by the post-pandemic economy recovery and the war in Ukraine (the purchasing gas price increased from 265 USD/1000 m³ in 2021 to 1193 US/1000 m³ in April 2022 and 919 US/1000 m³ in May 2022). Unforeseen excessive price increase has caused a domino effect of rising prices in all areas, including electricity, increasing the level of energy poverty of the population. This has put significant pressures on the public finances and the most vulnerable citizens' ability to afford gas over the winter (60% of Moldova's population live in energy poverty, spending more than 10% of their budgets on energy bills). In addition, the war in Ukraine and the influx of refugees as a consequence, as well as the decrease in remittances from Ukraine and Russia has put more pressure on the Moldovan economy.

To enhance security of gas supply, Moldovan authorities are seeking to diversify gas supplies and create gas stocks for emergency situations or specific cases, by enabling acquisition, creation and use of gas stocks, especially if there are natural gas shortages.

Expected results:

- National policy framework and long-term planning in the energy sector improved and aligned to climate commitments; National regulatory framework (both primary and secondary) improved in line with Moldovan energy commitments, ensuring that national authorities are better prepared and can respond to emergency situations in the energy sector and to the needs of the most vulnerable energy users;
- Key energy players have increased expertise, technological, institutional and enforcement capacities to prevent major risks in current and potential future energy crises;
- National capacities to organise transparent and non-discriminatory procurement procedures in the energy field are strengthened;
- Government capacities to monitor and provide targeted response to energy poverty is increased through institutionalisation of a new mechanism;
- Facilitate citizen's engagement in formulation of energy policies and contribute to increased transparency of decision-making process;
- Enhanced capacities of the Ministry of Energy and the National Agency for Energy Regulation of the Republic of Moldova to implement the mechanism for creating and maintaining natural gas mandatory stocks, at the lowest costs possible and with the minimum impact on final consumers;