Moldova entered into an ‘energy crisis’ in October 2021, when gas and electricity shortages caused tariffs to spike. In 2022, prices increased sevenfold for natural gas and 400% for electricity. As a result, more than 70% of the households in the country are now energy-vulnerable and spend more than 10% of their incomes on energy, in particular on heating during the cold period (November through March).

UNDP, together with the Government of Moldova, designed and is implementing an evidence-based, on-bill, compensation scheme to minimize the negative impact of energy inflation on Moldovan households, the Energy Vulnerability Reduction Fund (EVRF).

The Fund is linked with an Energy Vulnerability Information System through which households are applying online, directly, or with social assistants’ support. Each applicant is automatically ranked into one of 5 vulnerability categories (from very high to none) through a dedicated algorithm that provides full transparency on the system of categorization and compensation. A reduced tariff is then applied to bills for natural gas, electricity, or centralized heating.

UNDP supported the development of the Energy Vulnerability Information System, as well as the creation and operation of a call centre to provide information on the registration procedure, including social workers’ training.

**KEY RESULTS**
- More than 800,000 households (70% of the total) will benefit from compensated tariffs
- The behavioral programme reached over 700,000 households & resulted in around a 4-5% decrease in energy bills.
- The EVRF is triggering important modernizations of the national social protection system.
- UNDP’s assistance to the Government in defining and measuring energy poverty resulted in a definition that was included in Law 241 on energy vulnerability approved by the Parliament of Moldova.
- Early UNDP simulations suggest that energy compensations could prevent a quarter of Moldovan households from falling below the poverty line.

**KEY CONTRIBUTORS**
Moldova, European Union, France, Germany, Slovakia, Sweden and Switzerland. The EVRF is open for additional contributions.

**KEY PARTNERS:**
Government of Moldova (Ministry of Labor and Social Protection, of Finance and of Infrastructure and Regional Development).